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# FINANCIAL TIMES

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## News Summary

GENERAL

BUSINESS

### Wall St. sags— 6.72 off

BY SAMUEL BRITTON

**JERRY LAZE:** Captain charged

**GREEK FERRY:** Greek Antipas, 43, captain of Greek car ferry in which 24 people died and 11 were injured when it fire and burned off the coast, was charged yesterday with multiple manslaughter at Brindisi, the port where the vessel was towed.

**PILOTS:** Pilot commander agreed that among documents handed been the ferry's certificate, which showed it was allowed to carry \$200. Apart from the two possible missing, some 1,150 were known to have been off the vessel, the firm.

**ARREST WARRANT:** Arrest warrant alleged the ferry was overloaded and that the captain failed in passengers in difficulty.

**DAT: ONE RE TRY**

**PRESIDENT SADAT:** President Sadat declared he would give the U.S. a chance to solve the conflict, but reiterated war or peace by year's end. Of tomorrow's site on Egypt-Syria-Libya, he said Egypt would its name to "The Arab Republic of Egypt," from "Thurs-

**PLIER:** He was quoted as saying the U.S. supplied huge quantities of weapons to Jordan, had "opted out" of the Israel.

**LIDY-WASH-OUT:** Weather kept roads fairly over the holiday week-end did not stop train-travelling boys from causing at Southeast. At West-Mare dozens more youths but police prevented serious. Page 4

**FESTIVAL ANGELS:** While about 90 people face charges as a result of Hell's Angels fracas at Essex, police release the arrests. Chief Constable Nightingale said was "nothing but praise" conduct of most of the doers.

**ER MАНHUNT:** Hunt continued for Forbes, 36, who escaped Peterhead Prison, Aberdeen, where he was serving term for a murder committed shortly after he had been on licence from another sentence. Police warned dangerous.

**SELL: GIRL HELD:** Man who has been helping searching for Frederick Sewell, wanted in connection with the Blackpool police was driven to Blackpool and was expected to appear special magistrates sitting morning.

**TRIO DIE:** Racing motorcyclists were in a crash involving five outlaws on the first lap of the Outton Park circuit. Three other competitors were injured.

**FLY . . .** Premier Gandhi is to visit officially from October November 3.

**CASTLE REOPENED:** Castle reopened to public after the week-end which damaged several At Windsor Castle 2,000 were evacuated because bomb scare. Nothing was

**THEOUDRE THIEU:** He for next month's pre-election will have the same two-thirds in the new National Assembly as in the old official for national-wide elections confirmed.

**DEATH AND A MAN:** Dead after a shooting at an Iton, Somerset, house.

**BOND 2DT 612805:** Bond 2DT 612805 won week £25,000. The winner Manchester.

**OAKSEY:** Better known Justice Lawrence and who faced death sentences on at Nuremberg, died aged 47.50.

**Coffee quota fixed at 47m.**

**INTERNATIONAL COFFEE COUNCIL:** In a compromise solution, set coffee export quotas at 47m. 60-kilo bags, with a pricing arrangement for adjusting the supply volume. The quota will go up by 1m. bags if the ICO daily composite indicator price rises to 45 U.S. cents a lb, by another 1m. if 45.25c is reached and 1m. further at 47.50c.

**COST OF LIVING:** In addition they want a "cost of living threshold agreement" of the type being urged on the National Economic Development Council by the TUC, which would provide for, say, an extra 10p a week for every point that cost of living rose above a threshold of around 3 per cent. The union officials have also claimed 10 per cent "liveliness bonuses to be paid by local councils not operating productivity schemes."

**£175M BUILDING PROGRAMME:** For primary and secondary schools for England and Wales 1973-74, announced by the Department of Education and Science, will include £45m. for Mrs. Thatcher's drive to improve or replace old primary school buildings. The £45m., with £35m. already allotted for 1972-73, will cover renovation of nearly 1,000 old buildings.

The crash's cause is still own.

## Foreign exchange markets face new tests today

BY SAMUEL BRITTON

When the foreign exchange markets reopen to-day they will have to digest both the controlled floating of the Japanese yen and the imposition, practically for the first time in living memory, of foreign exchange controls designed to prevent the inflow of foreign exchange into this country.

The authorities claim that minimum of delay. Now, however, overseas residents are strongly discouraged from depositing foreign exchange in London. A ban has been enforced since last January in most cases this appreciation was bought, but the main factor was buyers' hesitancy, possibly induced by semi-official suggestions that the Administration was considering a freeze on profits and dividends. Page 40

**SILVER FUTURES:** Silver futures fell in New York, spot dropping 5.70c to 149.10, lowest since 1967. There were heavy deliveries against the September contract. Speculative liquidation was prompted by loss of confidence in silver as a currency hedge. Page 39

### Leyland car men re-start

**BRITISH LEYLAND'S** management is this week to recall progressively the 3,000 men laid off at Longbridge and 3,200 at the Castle Bromwich body works made idle last week by the strike of Longbridge engine dispatchers—who have decided to return. Their decision came after a warning by Triumph division chairman Mr. W. H. Davies to his employees that unless production performance was improved redundancies would be certain. Triumph output is being restricted by internal drivers' go-slow in a manning dispute.

**IF UCS SHOP STEWARDS:** Carry out their threat of non-co-operation, the Government plan to set up a provisional Board for a new company may run into trouble. Senior Clydesdale bank yard steward Mr. James Reid has said the new Board would follow Government lines of a severely curtailed operation based on the Govan and Linthouse yards; they had made it clear that their co-operation depended on keeping all four yards going. Back Page

### Bear Brand link-up

**BEAR BRAND** directors hope to sign a contract in the next few days for a trading agreement with a major overseas hardware manufacturer. Under this Bear Brand would get a number of modern machines on loan, with technical aid and advice, and would take a range of hardware non-competitive with its own U.K. sales, to its overseas partner at a manufacturing profit. The directors say their statement is made early because proxies are being sought to oppose re-election to the Board, at next Friday's meeting, of Mr. Frank Welsh, Lloyds Bank's nominee. Meanwhile a move is on foot to re-elect Mrs. Ann Ford to the Bear Brand Board. Back Page

**WINE SALES:** Reached their peak in Britain in 1971's first half. Clearances from bond, at 16.67m. gallons, were 28.7 per cent. above those of the 1970 half and well above the previous record 14.26m. gallons of 1968's first half—but were raised.

**IOS LTD.:** Parent of Investors Overseas Services, reports a \$43m. loss for 1971's first half, in the 1970 first half. But with 1971 losses down to \$4m. in the first quarter and \$6.3m. in the second a break-even by September was expected. Back Page

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### Four options

The British authorities had four options open to them. They could have been content to observe the movements of the market and not taken action, unless the threat they feared actually materialised. They could have lowered domestic interest rates. They could have intervened in the market to obtain official permission, but, if granted, has normally to bear a surcharge in the shape of a premium, which amounted to 3% to 3.5% per cent.

There are in addition stringent regulations, enforced by the threat of criminal prosecutions, requiring British residents who acquire foreign exchange to convert it into sterling with a market process involved.

Continued on Back Page  
See also Page 5

## Japan wants to hold yen revaluation at 8%

BY OUR OWN CORRESPONDENT

**JAPAN** is not prepared to revalue the yen by more than 8 per cent. The U.S. will firmly be told by the U.S. that it will be told firmly at the negotiations between the two countries on September 9 in Washington. This figure is regarded as a compromise between the test exchange flotation rate of between 5 and 6 per cent. and Washington's claim that the revaluation should be at least 10 and preferably of 15 per cent.

But Japan does not intend to offer even this compromise as long as the U.S. is not prepared to remove the surcharge on foreign imports. Reports reaching Japan to-day suggested that the U.S. does not intend to withdraw the surcharge even in return for a meaningful yen revaluation.

Financial experts in Tokyo hope that if co-operation with the U.S. is not forthcoming Japan may well stick at a 4 or 5 per cent. revaluation and try to create a common front with West European nation against the U.S. Against this, however, it must be said that European countries are just as anxious as the U.S. to see a sizeable yen revaluation.

The Japanese seemingly intend to claim that the Nixon Administration's view that the yen is undervalued by between 10 and 15 per cent. is nonsense. To that Wednesday may prove a



Mr. Maurice Stans

TOKYO, August 30.

considerably better indication of the true value of the yen, provided that the Bank of Japan is more circumspect in intervening and provided European speculators are not restricted to too great a degree.

In the meantime some of Tokyo's more outspoken officials have been suggesting that there may be a serious clash between the U.S. and Japan at next month's Washington meeting. These comments have been provoked, at least in part, by a television interview given on Sunday by the U.S. Secretary of Commerce. Mr. Maurice Stans.

Mr. Stans told newsmen the U.S. Government hoped the yen would be revalued by a wider margin than those of any other major world currencies. He added that the import surcharge would be removed until Japan's "trade barriers" came down.

From the Japanese viewpoint, this is rubbing salt in the wounds. The Japanese Finance Ministry, for example, contends that it has played the game with the rules but when Mr. Stans, an unpopular figure in Japan, points his finger at Japan's failure to liberalise imports realistically, this is too much for Japan to swallow.

Most observers of the Tokyo foreign exchange market contend that Wednesday may prove a

turnaround after the float. Page 8

## Pay claims for 2m. will test Government's 8% norm

BY JOHN ELLIOTT, LABOUR EDITOR

MAJOR PAY negotiations for been engaged in strikes over nearly 2m. workers in local their claims for the last two government and the construction industry are due to get under way during the coming month.

But the year's claim is significantly lower than last year's 20 per cent. and with the Government now setting its sights on a 25 per cent. increase, the "norm" for day's market situation may not provide this.

Without the reduction in hours, union leaders claim that most of the cost could be covered by employment spending and extra payments which contractors award individually on site and which undermine the national negotiations by boosting earnings often to £50 or more a week in major cities like Birmingham and London.

### Employers divided

But the local council employers, who traditionally do not like to be regarded as "trail blazers," may well not want to be the first significant group to agree to a threshold cost-of-living clause. If they do take this line, the union negotiators will make it clear that a rejection of this would mean they would press hard for a larger basic increase.

### Basic rate

The construction industry claim has been lodged and is expected to be answered by the National Federation of Building Trade Employers within a few weeks, after union leaders have submitted details of what they have.

So far they have told the NFETB they want the industry basic craftsmen's rate of £20 for 40 hours increased to £30 for 35 hours with proportional increases for the rest of the industry's 1m. workforce. Parallel negotiations will be held with civil engineering contractors.

But although this amounts to a 50 per cent. increase even

## Sterling's advance halted abroad

BY WILLIAM KEEGAN

THE recent upward movement in sterling was halted yesterday on the Continental and New York foreign exchange markets following the weekend announcement of exchange controls to stem the flow of hot money into the U.K.

While the London market was closed for the Bank Holiday, dealing in most other centres were extremely quiet, and there was little change from the basic pattern of rates established by the end of last week.

The newly-floating Japanese yen remained at Saturday morning's level, showing a revaluation of 5 per cent, and sterling was quoted in the region of Friday's close of \$2.47.

### Paris support

The dollar rose very slightly against the Swiss franc and the Dutch guilder, but it again had to be supported in Paris, where the French Government is holding the rate for commercial frances at their ceiling of Frs. 5.5125 to the dollar.

However, the dollar weakened further against the floating "financial" franc, which yesterday afternoon was showing an appreciation of 4 per cent. against the dollar. In Spain, the authorities lowered their support point for the dollar against the peseta, but kept it within the International Monetary Fund's 1 per cent. margin.

When the London market re-opens to-day, one of the most important elements of the new exchange control regulations from the dealing point of view will be the Treasury's statement that "The extent to which authorised banks may convert foreign currency deposits into sterling is being restricted."

This concerns the technical operation under which banks acquire spot sterling through the sale of foreign currency, and reverse the transaction by means of a forward swap maturing sometime later.

Thus a bank goes to the Euro-dollar market, borrows say \$1m. for three months, and sells it for spot sterling. While it is selling the borrowed dollars, it simultaneously buys them back in the forward market for delivery on the date when it has to repay the original Eurodollar loan.

Interest

Meanwhile the bank is "long" of sterling, and normally makes use of this money to earn interest in the U.K., until the point where it has to sell the sterling to repay the original borrowing.

While such operations are not being stopped outright, banks are being told that from to-day they must not allow a situation to develop in which, overall, their net spot position in foreign currency becomes a short position covered by net forward purchases.

## ICI raising DM100m. in Germany

By Malcolm Rutherford

BONN, August 30.

ICI IS TO RAISE a further DM100m. on the German capital market next month, after having raised \$15m. in a joint sterling-D-mark bond offering only a few weeks ago.

Permission for the new issue to go ahead was given by the Central Capital Market Committee meeting in Frankfurt to-day. The announcement came as something of a surprise, and the precise terms are not yet known, although the coupon is confidently expected to be 8 per cent. The consortium leader will be the Dresdner Bank, but it is understood that the consortium has not yet been fully formed.

### No objection

ICI's previous sterling-D-mark issue was managed jointly by S. G. Warburg, Deutsche Bank and J. Henry Schroder Wag. The company is believed to have informed these banks at the time that it would shortly plan a second issue, and they expressed no objection. Bond market sources said to-day that the company had probably judged it wiser to make a split. The D-mark issue will be used to finance further expansion outside the United Kingdom.

The only other foreign issue approved by the committee to-day was of DM100m. for the Firestone Tire concern, of the U.S. But the capital market sub-committee which deals exclusively with foreign borrowers may meet again as soon as September 6.

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Gloucester Cathedral

## Three Choirs Festival

by GILLIAN WIDDICOMBE

Usually there are two good reasons for taking an interest in the Three Choirs Festival. The view, either an eye or a throat for choral singing; or a home in the vicinity of Gloucester, Worcester, or Hereford, whose Cathedrals take turns at playing host to a week of daily concerts of cathedral organists—particularly John Sanders as host at Gloucester—who have evidently brought fresh vigour to the traditional proceedings.

This year, however, there is a third reason. The Gloucester organ, for years one of the most famous fat Romantic English cathedral organs, has been built, as organ rebuilds always are, in the nick of time for the opening service a week ago last Sunday. Controversy continues to swirl, as will be seen, among friends and foes of their Three Choirs summer with memoirs of Elgar's— who have evidently brought fresh vigour to the traditional proceedings.

The organ was explored by Simon Preston in a Handel concerto and a new piece with orchestra by Peter Dickinson. Those unfortunately, I missed but had a private glimpse and also heard a Rheinberger sonata at the end of Friday's Evensong. Proper judgment must, in any case be reserved until the opening recital, on October 6, when the musical range (early French, Bach and Messiah—almost impossible in the Willis/Harrison) will be fully covered by Gillian Weir.

Back with tradition, the highlight at the end of the festival was the *Dream of Gerontius*, conducted by John Sanders, with Gerald English, Alison Hodgson and Benjamin Luxon. It was Mr. Sanders' first *Gerontius*; on the steady rather than the solemn or sensational sides, Mr. English's *Gerontius* is superbly articulate with an intelligent kind of intensity that I find most moving. On Thursday night Christopher Robinson conducted an attractive performance of Rachmaninov's *Bells* with soloists led by Margaret Price and the large choir at its most colourful.

Orchestral concerts are inevitably less comfortable in a cathedral ambience, or so I felt on Friday afternoon when the BBC Training Orchestra accompanied Iona Brown in the Mendelssohn Violin Concerto, and Meredith Davies took them smoothly through the Vaughan Williams Fifth. Wherever one sits in any cathedral the impression is that an orchestra would be more clearly heard from elsewhere.

Letter from California

## Candide re-born

by GEORGE OPPENHEIMER

nce upon a time, not so long ago, the motion picture denizens of Hollywood regarded the theatre with a mixture of distrust and disdain. It was the right to go to New York and be in the "shows" on an occasional holiday, but when they came to Hollywood, they largely ignored except by a handful of playgoers who had not lived the habit. Now all this changed together with the social and artistic aspects of the a, whose middle-aged spread increased while its film business has decreased.

worked for some 19 years in platinum mines of Hollywood have only now, after 14 a, returned. It has grown (and uglier) with the t's except for a theatre centre compares more than favourably with New York's Lincoln Center. And, amazingly enough, prospering and producing plays at a time when

an uncommon sight to moviegoers practically empty and economic of the industry in recession state. Television, of course, helped, but not enough to save an ailingness. Not that the theatre, a much better situation, at least in Los Angeles it is more active than it has bitherto.

part from the Center itself, and some a complex as I have, there are small, experimental theatres all about. Unfortunately for me, most of them doing plays from New York resident playhouses that I had only seen. At the Center *The Trial of the Catonsville Nine* by Daniel Berrigan, SJ, being produced with great effort, but not to me, as much as in the New York production. This may have been due to the absence of Edie P. with his wife, Richard Berrigan who, with his son and a group of friends, is trying to draft records in Catonsville as a protest against the war.

the University of California Los Angeles there was a performance of *The God's All Here*, the apocalyptic drama of Peter G. Hartley by Jerome Lawrence and Robert E. Lee. Mr. Bernstein has written some new numbers for this version which, I hope and believe, will, on its second time round, become a deserved success.

### Brompton Oratory appointment

Mr. John Hoban has appointed musical director of Brompton Oratory. He will take up the post in October upon the retirement of Mr. Henry Washington.

Henry Washington has been musical director of Brompton Oratory for 38 years and is also director of the Schola Polyphonica. Since 1954 John Hoban has been choirmaster of the Church of Our Most Holy Redeemer and St. Thomas More, Chelsea. He is also director of the concert and broadcasting choir Scuola di Chiesa.

### The Maltings

## The Turn of the Screw

by GILLIAN WIDDICOMBE

It was Colin Graham's enchanting production of *Midsummer Night's Dream*, which convinced us that The Maltings was a marvellous home for opera: that bare brick walls and visible lights could successfully replace the mysterious deceptions enabled by the proscenium arch. *Lucretia* confirmed the conviction: *Gloriana* adapted easily. Later King Arthur, with almost no scenery, was delightful. Only *Idomeneo* misfired, with realistic problems like the storm and dragon whose designs were gauche, and general difficulty about getting on and off the stage.

Having proved itself with the most suitable operas, The Maltings now approaches Britten's other operas since the English Opera Group's repertory must continue to expand, or at least remain. The 1971 production of *Turn of the Screw* consisted mainly of stoppers by John Piper, and could not therefore be transferred to The Maltings open stage. In any case it was very old—the original staging, by Basil Coleman, in 1954. By the time I saw it at Sadler's Wells, it was directed by Colin Graham, and seemed one of those classic productions that only date when the internal direction becomes tired (which it did not) because the designs were specifically tailored to the 19th century setting; shabbiness could not show.

The new production has been designed by Yolanda Sonnabend. One can appreciate her difficulties. The *Screwt* needs realistic props: a piano for Miles to play, and a bed, a candle and so forth.

It also needs specific scenery: a church with bells to ring, a lake for Miss Jessel to appear from, a tower and windows for Quint to appear at; and these must be changed quickly because the opera consists of 16 small scenes interspersed with orchestra interludes. Indeed, one might argue that the opera's theatrical style is as much conceived upon the technique of changing drop-cloths as its musical style is based on variations which increasingly tightens their theme. Since drop-cloths are out of the question at The Maltings and the use of revolving screens has been successful there before, Miss Sonnabend's features three revolving metal structures which re-shuffle to suggest the facade of the house, the door, the window, the tower.

These plain struts are hung with several small screens, on which light is projected, in abstract patterns. The projections are intended to express Miss Jessel's emotional distortion of the setting, but I found them messy, too small, uncommunicative, and thought the most straightforwardly lit scene, *The Lake*, the most successful. Moreover, I found the stage children is nicely suggestive.

Otherwise Colin Graham's direction is faultless in its straightforward simplicity. He emphasises the evil nature of the children particularly strongly.

Miles is the wide-eyed blond



Elizabeth Gale and Corin Manley

choirboy, hands clasped; his precocious wickedness is betrayed by a caricature of snug smiles, sudden glances, priggish nose. Corin Manley sings him sweetly, also clearly, though he tired before the end of Saturday's performance. Elizabeth Gale's Floria is a most accomplished characterisation, excellently sung; and the interplay between the two will be given at Sadler's Wells Theatre from September 18.

Singing the Governess, Catherine Wilson takes over the role that has always been personally identified with Jennifer Vyvyan. It is a very different interpretation, for Miss Wilson has a kind of youthful warmth that is most touching and appropriate; she sings the role easily and dramatically though sometimes her diction is poor. Peter Pears returns to his arch Quint and avuncular prologue; Rae Woodland draws Miss Jessel as a passionately woeiful pawn. And there is Sylvia Fisher to make the most of Mrs. Grose's outburst "Dear God, is there no end to his dreadful ways?" At that point the tragedy first reveals that his hold is inexorable, its twist a vice.

In terms of vocal projection and orchestral balance, The Maltings makes a marvellous home for this supremely clear and concise score. No theatre could match the clarity and gloom which the Snape acoustics give to the 13 instruments. On Saturday Benjamin Britten conducted urgently, and the English Chamber Orchestra responded superbly. Three performances will be given at Sadler's Wells Theatre from September 18.

### SPORT: YACHTING... TENNIS... CRICKET

## This pre-Olympic regatta is quite a trial

BY ALEC BEILBY

KIEL, August 30.

THERE IS no doubt that the petitors if the present facilities to third after a comparative bad race today when in fresh wind ashore, in the shadow of the vast conditions, he finished 21st. His former Flying Dutchman crew, Ian Macdonald Smith is now in second overall position in the single-handed Finn class, and with four races still to be sailed, either of these two could add the equivalent of a pre-Olympic gold medal to the one won in Mexico three years ago.

Apart from the two wins of those are looking like prize-winners a, the regatta goes into the second half, but if some of the weight goes out of the wind for the last four races the position could improve.

On the international front, the regatta has already acquired some of the political snags that yachting has managed for so long to avoid adapting from other sports. The South African team has been prevented from racing by the International Olympic Committee although they have been allowed to compete in all other international yachting events administered by the International Yacht Racing Union, the world authority for the sport.

The British contestants, 40 of them spread through the six Olympic classes, are not producing the result one might have expected, having seen most of them perform in the national and international events earlier this year. Vernon Stratton, team manager, is definitely satisfied here that work done by the competitors have suffered at the expense of these, and, many, remembering the pre-Olympic regatta in Japan in 1960.

Earlier this summer the organisers at Kiel had a foretaste of some of the problems and situations they would have to face in an Olympic regatta. Lessons were obviously learned and in the three races already sailed here that work done by the racing administration, apart from racing itself, has been well made and the few obvious lapses, fair. But this is far from the case ashore.

Wind have been fresh from the South-West, and, consequently, the sailing hard. The courses are a minimum of six miles from the regatta centre and sailing out and back from the building site next door, clouds of sand blowing from the building site and dinghy park, and crowds of spectators and officials from the town.

Current world champion Rodney Pattisson, who with his crew Julian Brooke-Houghton, held second place overall in the Flying Dutchman class at the end of yesterday's racing, has dropped

to 13th. The British team manager, Veron Burton, is definitely satisfied with the performance of some of his brighter stars who have simply failed to shine.

The East German national flag disappeared from its allotted flagstaff during last night and the team refused to race today until another was hoisted in its place. Meanwhile, the Russians, who are always popular at international yachting events, lost their flag but their attitude to the trouble was much more philosophical than their East German friends.

## Most cherished junior titles at stake this week

BY JOHN BARRETT

THE BRITISH Junior season reaches its natural climax this week as the under-18s dispute the most cherished of junior titles in the Green Shield Junior Championships of Great Britain, played on the hard courts of the All England Club at Wimbledon.

Inevitably junior standards fluctuate so that some years appear to be laden with talent while others seem barren. We are in a rich period among the boys, and there is added piquancy this year now that Stephen Warboys, the infant prodigy of British tennis, has seen fit to challenge at his last opportunity for a title he has attempted only once before, in 1967, when he was 13.

He is properly cast in the role of favourite, which befits his Davis Cup squad status and, if the seeding committee's forecast works out, will meet in the final Christopher "Buster" Mottram, a 16-year-old of precocious ability who recently carried off the national under-21 title in Manchester in the absence of Warboys. Their only meeting this year was in the recent Exmouth Grass court tournament, where Warboys scored a clearcut win. It would be interesting to see if the same superiority was apparent on hard courts.

Lloyd and Miss Burton had the qualifying event of Brussels, in 1963, as the unofficial team championship of Europe. It was a round-robin, and the only one of its kind where each nation is represented by one boy and one girl aged 26 or younger, who have each come through a testing qualifying competition in their own countries. Each year there are approximately 73,000 competitors altogether, which indicates how enthusiastically the nations have responded to the challenge.

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With the exciting under-21

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# Businessman's Diary

## U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Intl. Handicrafts & Do-it-Yourself Ex. (cl. Sept. 11)	Olympia
Sept. 2-9	Intl. Audio-Visual Aids Conf. & Ex. (cl. Sept. 3)	Olympia
Sept. 5-10	West of England Gift Fair	Building Centre, W.C.1
Sept. 7-10	Northern Floor Coverings Fair	Victoria Rooms, Bristol
Sept. 8-10	Italian Exhibition of Convenience Foods	Exhibition Hall, Harrogate
Sept. 8-10	Electromotion Exhibition	25 Old Burlington St., W.
Sept. 8-16	Northern Antique Dealers' Fair	Royal Victoria Ht., Sheffield
Sept. 8-18	International Laundry & Dry Cleaning Exhibition	Royal Baths, Harrogate
Sept. 13-17	Industrial Development Exhibition	Olympia
Sept. 13-17	Financing for Intl. Trade and Export Services	Birmingham University
Sept. 13-17	International Watch and Jewellery Trade Fair	Earls Court
Sept. 14-18	Surrey Ideal Home Exhibition	U.S. Trade Center, W.
Sept. 14-18	Autumn Antiques Fair	Civic Hall, Guildford
Sept. 17-19	Northern International Hi-Fidelity Festival	Chelsea Town Hall
Sept. 18-25	Brighton International Trade Fair	Majestic Hotel, Harrogate
Sept. 21-23	Fire Fighting and Prevention Exhibition	Hotel Metropole, Brighton
Sept. 22-24	Italian Exhibition of Men's Wear and Accessories	Extn. Centre, Harrogate
Sept. 27-29	International Antiquarian Book Fair	Intl. Trade Centre, W.
		Europa Hotel, W.

## OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	International Trade Fair (cl. Sept. 4)	Reykjavik, Iceland
Current	Radio, Television and Record Exbs. (cl. Sept. 5)	Berlin
Current	International Trade Fair (cl. Sept. 12)	Algiers
Sept. 2-8	Fashion Week (cl. Sept. 5)	Berlin
Sept. 3-11	International Fair	Milan
Sept. 4-11	International Motor Show	Sydney
Sept. 5-7	Irish International Food and Drink Fair	Dublin
Sept. 5-12	International Household Goods & Hardware Fair	Cologne
Sept. 5-13	International Autumn Trade Fair	Vienna
Sept. 5-13	Gifts and Objets d'Art Exhibition	Brussels
Sept. 5-13	Autumn Fair	Lisbon
Sept. 5-13	Jewellery Gold and Silverware Exhibition	Paris
Sept. 6-22	Engineering Material and Prod. Equip. Exhibition	Moscow
Sept. 9-19	International Autumn Fair	Zagreb, Yugoslavia
Sept. 10-13	Fashion Trade Fair	Turin
Sept. 11-20	International Leather Exhibition	Paris
Sept. 11-26	Commercial Fair	Brno, Czechoslovakia
Sept. 12-19	Scandinavian Fashion Week	Liege
Sept. 12-19	Italian Furniture Fair	Copenhagen
Sept. 13-18	International Brewery Machinery Exhibition	Milan
Sept. 14-18	Municipal Equipment Exhibition	Munich
Sept. 14-18	International Technical Fair	Helsinki
Sept. 15-17	Canadian Computer Show	Toronto
Sept. 17-20	Food Industry Trade Fair	Brussels
Sept. 23-Oct. 2	International Office Equipment Exhibition	Paris
Sept. 25-Oct. 1	International Fine Food & Provisions Exhibition	Cologne
Sept. 27-Oct. 1	Irish Packaging Exhibition	Dublin

## BUSINESS AND MANAGEMENT CONFERENCES

Sept. 1-24	HMP School Mgmt. Services: Work Study	Repton, Nottingham
Sept. 2-5	Training for Bus.: Computer Originated Microfilm	Bloomfield, Croydon, Ht., W.C.1
Sept. 5-10	IMI and Dexion: Distribution Management	Kings College, Cambridge
Sept. 6-10	Great Warwick Mitchell: Production Management	Euston Hall, Hat, Witney
Sept. 6-8	FBI Techniques: Company Taxation	Combergh Room, W.C.2
Sept. 9-10	IPM: Appraisal and Management Development	Windsor Ht., W.
Sept. 13-16	Mgmt. Training Consultants: Supervisors in Action	57 Marylebone High St., W.
Sept. 13-16	Ind. Assess. and Research: Differential Test Battery	Shelly House, E.C.
Sept. 14-18	Coop. Bros.: Accountancy for Managers	Hilton Hotel, W.
Sept. 14	Jean Morell: Computer Plans and Budgets	Portman Ht., W.
Sept. 15-16	Mktg. Improvements: The Marketing Function	Hamburg
Sept. 16	Financial Times, Britain as a Business Partner	Birmingham University
Sept. 16-18	Chartered Institute of Secretaries: World Trade	Wadham College, Oxford
Sept. 19-24	D. Frost & Sons: Financial Manufacturing & Marketing by the Case Discussion Method	Strand Palace Hotel, W.C.2
Sept. 20-21	Assoc. Bus. Progs.: Total Loss Control	Mansion Hotel, Eastbourne
Sept. 20-24	BACIE: Techniques of Instruction (Part 1)	41 Duke Street, W.
Sept. 20-Oct. 1	R & M Mgmt.: Modern Warehouse Management	Clifton Down, Bristol
Sept. 23	Engineers House Mgmt.: Center: Design Skills	Piccadilly Hotel, W.
Sept. 29	Management Studies Centre: Value Added Tax	The Hague
	Mgmt. Centre for Europe and the Financial Times: Company Survival in the Science Based Industries	

## EEC seen as saviour for depressed areas

BY RICHARD EVANS, LOBBY CORRESPONDENT

ENTRY to the Common Market would bring immense gains to Britain's less prosperous regions, according to a Conservative Political Centre pamphlet published today.

The author, George Gardiner, argues that existing regional incentives would give Scotland, Wales and other development areas a lion's share of the new industrial growth that would follow.

This impact would be reinforced by the Government's

conclusions will help support the drift to the prosperous Midlands and South-East.

The first impact of entry would be felt from the industrial investment decisions that would follow if a parliamentary vote in favour of entry.

His conclusions will help reinforce the drift to the prosperous Midlands and South-East.

In the build-up of holidaymakers returning to London, we under way last night but the RAC said conditions were no worse than a normal weekend.

BEA operated 21 extra flights and carried 50,000 passengers during the holiday period. "It has been a fairly busy holiday, but no records have been broken," said a spokesman. The Channel Islands, Cyprus and Malta were the most popular destinations.

Airline coach operators and British Rail reported that the number of passengers carried was similar to last year but no records had been set.

Traffic to the West Country, the Lake District and South Wales was considerably less than that of a normal Bank Holiday period, the RAC claimed. Roads were quiet and car parks at seaside resorts and beauty spots half empty.

Only in the South-West, where sunny spells enticed motorists

ANNUAL STATEMENTS

WOODEND (KELANI VALLEY, CEYLON) RUBBER & TEA

The following is an extract from the circulated statement of Mr. T. H. MACER, M.C., F.C.A., the Chairman:

The profit for the year before taxation was £11,359 compared with £18,535 for 1968. The reason for the decrease in profit has been the world wide decline in the price of rubber, together with a slightly higher cost of production which reflects the steady inflationary tendency in Ceylon.

Your Directors have declared an Interim Dividend of 5% to be paid when the funds have been remitted from Ceylon.

Funds covering the Interim Dividend of 2½% for 1968 and the Interim Dividend of 7½% for 1969 have been released and the Dividends paid but we still await remittance of the Interim Dividend of 3½% in respect of 1967.

Ceylon is beset by many problems and it is very difficult therefore to be optimistic about the future of our Estates. We are reasonably efficient operators but I cannot visualise our plantation interests providing anything other than meagre profits and dividends in the years ahead. Your Directors will continue to explore the possibility of expanding the Company in other spheres.

## Accountants' salaries up £186 in first half

FINANCIAL TIMES REPORTER

ACCOUNTANTS' salaries have risen on average by £186 to £2,882 in the six months to June 1971— a rate equivalent to more than 11 per cent a year.

Salaries for senior posts have grown more rapidly with finance directors enjoying a £900 rise to £6,000, or an increase equal to 38 per cent a year.

These figures are published by Reed Executive (Selection) following a survey of nearly 1,500 employees.

The company reports "a sharp contrast" between its experience of recruitment in the 21-49 age sector and the survey.

According to Reed Executive, employers more and more regard accountants as secondary to the main. But the survey "strongly suggests greater recognition of the chartered man."

The average salary for chartered accountants is shown as £4,408 compared with £3,003 for Certified Cost and Works Accountants. Unqualified employees earn £2,200.

Such a pattern, Reed Employment says, strongly suggests one of three things: chartered accountants are benefiting from employers' prejudices, are naturally better all-rounders, or something in the past selection and training processes produced better accountants in the chartered bodies between 1945 and the present date.

An increase in the proportion of accountants with a company car from 24 per cent to 33 per cent may indicate a greater use of the car as a tax-free benefit, Reed Employment points out.

## Best-buys guide for electrical trade tools

Financial Times Reporter

THE JOINT INDUSTRY Board for the Electrical Contracting industry has published the first in a regular series of technical reports designed to evaluate the "best buy" in plant and tools for use by electrical contractors.

Entitled "PLANT"—Productivity—a Look at New Tools and Equipment—the reports will be available up to four times a year. Each issue will deal with at least one type of equipment currently available.

The Board believes that the reports will form the first industry-based national comparative studies undertaken in this country.

A Board spokesman said that the first edition dealt with stripping tools used for mineral insulated copper-covered cables.

He added "An indication of the potential value to the industry of these reports is that this first study has drawn attention to the significant fact that the best hand-tool on the market is the least well-known to the industry."

The publication of the results of comparability tests in "PLANT" is regarded as a natural extension of the Index of Tools, Materials, Plant and Equipment compiled by the Board's central services library, which has been available to board participants free on request for some time.

The president of the Architectural Association, Mr. John Smith, commented: "With a good intake of new students for the coming session the AA School is still very much in business in spite of the pessimistic reports published at the end of last year."

I am firmly of the opinion that the future of the AA can be secured, he said, "if we can together, staff and students of the school, are now in the process of preparing a suitable scheme."

"We are determined to make every effort to ensure the continuation and further development of the AA as an independent centre of architectural education," he said.

FEARS that the U.K. might suffer from a sudden influx of workers from Europe if Britain joins the Common Market can be discounted, says the CBI in its latest Industrial Relations Bulletin published at the week-end.

Employers have been considering the implications of the Treaty of Rome provisions on free movement of labour under which Community nationals and their families are able to move about freely to work in member countries on equal terms with local workers.

But the CBI says that the present manpower position of the Six shows that a flood of Europeans would not suddenly arrive in the U.K. looking for work. "The EEC countries, other than Italy, have had a very low level of unemployment combined with many unfilled vacancies, and have therefore had to recruit increasingly from outside," states the CBI. In 1969, 80 per cent of migrant workers within the EEC came from non-member countries and normally had to have a job to go to before arrival because they did not benefit from the EEC free movement arrangement.

Continued in next column

## No rush of EEC workers expected—CBI

By Our Labour Editor

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Continued in next column

## WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interim or final. The subdivision shown below is based mainly on last year's time-table.

WITH 10 months to go before opening day, reservations for the Industrial Finishing and Anti-Corrosion Exhibition (IFAC) total over 16,000 sq. ft.

They have been made by 30 companies including those from overseas representing West Germany, Switzerland, U.S. and France.

It is expected that the event will present a complete picture of developments in the fields

of the past two years. It will include finishing systems for organic and inorganic surface coatings and anti-corrosion treatments plus equipment and materials for surface preparation and pre-treatments.

Plans for a two-day conference to be held during the exhibition are well under way.

The theme is to be heavy-duty coatings for corrosion protection.

The conference is being arranged by the London branch of the Institution of Corrosion Technology. The exhibition is to be held at Earls Court, London, from June 6-9.

## IFAC selling well

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Plans for

## THE CURRENCY CRISIS

## IN BRIEF

**ZURICH:** The foreign-exchange market was quiet yesterday, the dollar improving further to Frs 3,9850/3,9925 and the gold price going up slightly to \$41.40/41.60 per ounce. It seems unlikely any further changes in the provisional Swiss foreign-exchange system will occur in the immediate future. The National Bank having held no new talks with the commercial banks and the Swiss Cabinet being expected to hold no extraordinary session before its meeting Wednesday evening.

**SYDNEY:** The Australian dollar is to remain pegged to the U.S. for the time being, as forecast by some observers last week at the moment of the year. A statement from the Government's wait-and-see policy. Mr. Snedden, issued on Sunday, said: "It remains to be seen how the yen will move in relation to the U.S. dollar in the period ahead." This means that the Australian dollar is currently valued at 8 per cent up, and has been deviated against the U.S. dollar parity rate, and has been deviated against the yen.

**MADRID:** The National Bank made a slight downward adjustment of the dollar parity which, in effect, evaluated the dollar by 0.2 per cent in relation to the peseta. The official rate covering foreign exchange operations was lowered from last week's 641 pesetas to the dollar to 627.5. It was the first change in parity since the dollar was floated. Official rates governing the sale and purchase of dollar bills were also adjusted downward by the National Bank from 60.66-69.41 to 68.70-69.23 for large denominations and from 68.69.41 to 68.70-69.23 for small denominations. This presented a drop of 0.33 per cent in the value of dollar bills sold or bought against pesetas.

**HONG KONG:** All money markets were closed here because of a public holiday commemorating the British colony's return from Japan 26 years ago.

**FRAUD:** The dollar had quiet day closing at around DM 3.40, against the official rate of DM 3.36. The official rate—DM 3.3988—was very slightly down on Friday's DM 3.4015.

## Malta pound may float further

By Our Own Correspondent

**VALLETTA:** August 30. The Malta pound, which floated a week at FM1.05 against sterling, has emerged stronger than expected and the Central Bank believes there could be scope for other exchange rate increase, a figure mentioned is 5 per cent, but no confirmation has come from the Central Bank. Fearing to the Maltese is it fears which foreshadowed a fall far from materialised. The complete lack of distance in London to Mr. Domestico's 5 per cent. increase to the Malta pound has left trading between the two countries unhampered.

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## SPOTLIGHT ON OVERSEAS TRADE



## AGRICULTURE and the E.E.C.

It is not easy to understand the Common Agricultural Policy of the E.E.C. Especially if you're short on background information. If you're considering the changes that entry into the E.E.C. could bring to agriculture you'll need all the information you can get.

The latest in the range of 'Spotlight' pamphlets, prepared by the Midland Bank, examines the C.A.P.—the current

differences between farming in Britain and the E.E.C. countries and the likely effects of E.E.C. entry on British agriculture. Either fill in the coupon below or pop in at any Midland Bank branch and ask for the latest 'Spotlight' pamphlet 'Agriculture and the E.E.C.'

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 British Industry and the E.E.C.

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## France resisting foreign pressure to revalue

BY ADRIAN DICKS

THE DOLLAR moved down a full one per cent against the French franc on the free market here-to-day to close at Frs 5.32—equivalent to a devaluation of 4 per cent from the old parity of 5.55.

However, the large-scale rush of speculative funds into Paris at the moment of the year, although the float did not materialise today, although on the official exchange market—intended to be limited to commercial transactions—the Banque de France was obliged to intervene to protect the old parity at its lower margin of 5.125.

How long the French Government can maintain successfully its now isolated resistance to American and German pressures to revalue will depend on foreign interest in the franc.

The French have dug in well behind what has already been dubbed a monetary Maginot Line of exchange controls, non-remuneration of foreign accounts and partial float.

But few people here believe the two-tier market could long survive a difference greater than 6.7 per cent between the commercial franc and the financial franc.

Two strong hints have emerged over the week-end, meanwhile, that a dollar devaluation against

gold will be France's main objective in the discussions aimed at a general realignment of parities which will begin at this week's meeting of the Group of Ten governments here.

M. Giscard d'Estaing, French Finance Minister, told the German weekly Der Spiegel, that he saw no reason for a change in present official parities, which could only be expressed in gold since the floating of the dollar.

While he claimed that "contrary to what is believed, we have never taken up a position regarding an increase in the gold price," he seemed to be suggesting that this would be the logical outcome of the Americans' position.

French officials, however, seem to expect little headway to be made in these exchanges. M. Giscard d'Estaing repeated to Der Spiegel that he saw little prospect of any joint Community position emerging in time to be put forward at the International Monetary Fund meeting at the end of September.

Rather than seek a compromise Common Market solution at present, it seems more likely that Paris wants to bargain its intransigence directly with Washington. How strong its hand is going to be will depend on how withdrawn from its status as a foreign exchange market.

M. Giscard d'Estaing also going to be will depend on how withdrawn from its status as a foreign exchange market.

## Hint of toughness on surcharge

BY JOHN GRAHAM, U.S. EDITOR

THE ADMINISTRATION to-day gave its first quantitative guess at the effects of its new economic policy, when Dr. Paul McCraken, Chairman of the Council of Economic Advisers, spoke to a Congressional committee.

Dr. McCraken said the removal of the surcharge was negotiable, but gave no sign of what form these negotiations would take or what the timing might be. When asked if the surcharge might be withdrawn in a year, he refused to be specific.

However, his remarks appeared to reinforce the line that people should not simply expect the U.S. to take the surcharge off just because other countries are letting their currencies appreciate against the dollar. The Administration still wants to improve its international financial position by getting more favourable trading arrangements and by persuading other countries to pay for more of the free-world's defence.

Thus the surcharge may have done one of its jobs—though the U.S. has still to see the yen go up as far as it would like—but there remain two other jobs for

it to do. Some officials have even talked in terms of waiting until the U.S. appears to have a balance in its payments, and that could obviously take years.

Dr. McCraken also gave some quantitative estimates of the effects on the domestic economy. He said there would be a net increase of \$15,000m. in America's Gross National Product in 1972, over and above whatever increase would have occurred without the new programme. More than half the gain would come from a substantial increase in consumer confidence, leading to greater purchases and consequent reduced saving.

Dr. McCraken said the austerity part of Mr. Nixon's proposals would lower the GNP by \$9,000m., but that the stimulative parts would produce an extra \$24,000m. All these figures are in current dollars and therefore do not allow for next year's inflation.

The figures are guesswork to the following extent: no one in the Administration can tell what the Congress will do to those proposals which need legislation (such as the investment tax credit and the budget cuts), and

what will have to take the freeze's place.

A simple reversion to the previous situation would stimulate yet more inflationary pressure. In the Administration's view, the freeze would not be the best answer.

But he and Mr. John Connally (Secretary of the Treasury) and other senior members of the Administration, agree that something will have to take the freeze's place.

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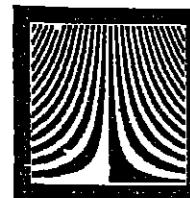
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# The Technical Page

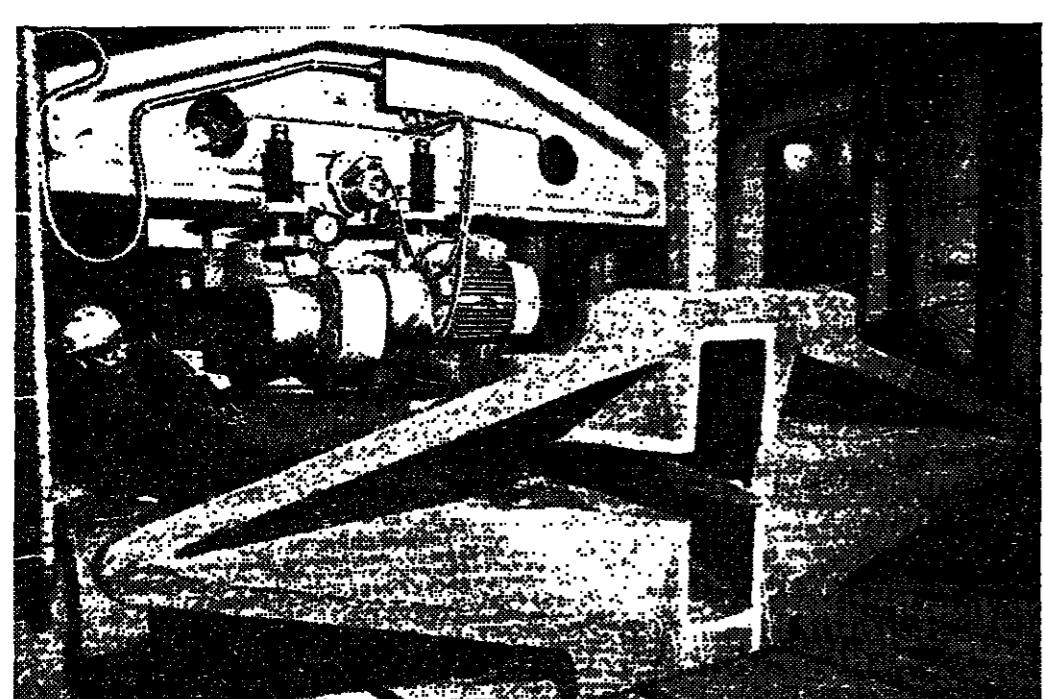
EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## • METALWORKING

### £500,000 strip bonding mill

DESIGNED to bond strips of coiler, feed and peeler units, roll chucks. These control the stiffness relative to the materials aluminium-tin, pure aluminium shears and power drive equipment and steel in two stages, a £500,000 tandem rolling mill has recently been commissioned at GKN's Vanderkell Products thin-wall bearing factory, Maidenhead, for the high speed precision bonding of bi-metallic strip; specifically the production of aluminium-tin bearing strip, initially for the expanding European automobile markets.

Major individual item in the new line is the £160,000 two-high tandem mill developed by GKN and supplied with coiler, de-



A 4-ton ship's anchor being straightened on the TOS 400-ton press.

## Czech press strengthens castings

DISTORTED heavy steel castings, weighing up to 7 tons, are being straightened by a Czechoslovakian-built 400-ton hydraulic press installed at E. Jopling and Sons works, Sunderland.

The company produces up to 120 tons of steel castings a week and the work table is 16 feet by 7 feet and

5 per cent of all the castings can accommodate several castings at a time. Both longitudinal and cross traverses can be made by the press head, eliminating handling and repositioning of the castings on the table.

Previously two methods were used for straightening—stove annealing, which could take up to 12 hours, and for small castings (up to 2½ cwt.) straightening on a 200-ton fixed-head press. Neither method was economic, since both took time, the latter because of lifting and repositioning the casting on the usual quality tests.

The TOS CDN 400 press (costing under £15,000) is marketed in this country by The Selvon Machine Tool Company, Wood Lane, London, W.12.

The Czech machine cold presses even 7-ton castings in less than an hour. The work table is 16 feet by 7 feet and

has given the unit considerable flexibility, making it suitable for a wide range of applications at various supply voltages, load impedances and power outputs. Provision has also been made to alter the negative feedback to vary the frequency response.

## Simplifies transmitter problems

A 3dB QUADRATURE coupler made in stripline for the UHF band is now being offered by Motorola Semiconductors

of Empire Way, Wembley, Middlesex. For use in power splitting and adding applications (for push-pull or power "meandering" the coupled lines

offer a large number of additional facilities including paging, number translation, push button build-up systems), it allows the outputs of several devices to be

to 400 MHz and 450 to 512 MHz, privileged extensions, long line

combined, retains transmission continuity and isolates mismatches.

The unit eliminates problems of mismatched transmitter ports because the application of a reflected signal at either of the output ports of the coupler results in signals at the input port attenuated by 20dB. Insertion loss is as low as 0.25 to 0.30 dB, affording greater output power than with alternative coupling methods. Transmission capability is maintained should one of a number of combined output transistors fail. This is important in critical applications such as police and emergency radio services.

The bigger Pentomat 1000 can offer a large number of additional facilities including paging, number translation, push button build-up systems, it allows the outputs of several devices to be

to 400 MHz and 450 to 512 MHz, privileged extensions, long line

communications

## Crossbar PABX up to 9,000 lines

THE private communications division of STC at Foothill, Sidcup, Kent, has now introduced the Pentomat 1000 crossbar private automatic branch exchange. Aimed at the higher capacity end of the PABX market, it can in its largest format provide for 9,000 extensions. Earlier this year the ITT company introduced the Pentomat 200, intended for smaller applications of up to 200 extensions.

The new exchanges are available in two forms—the regular series 1000R, and the custom built specially engineered '1000' models.

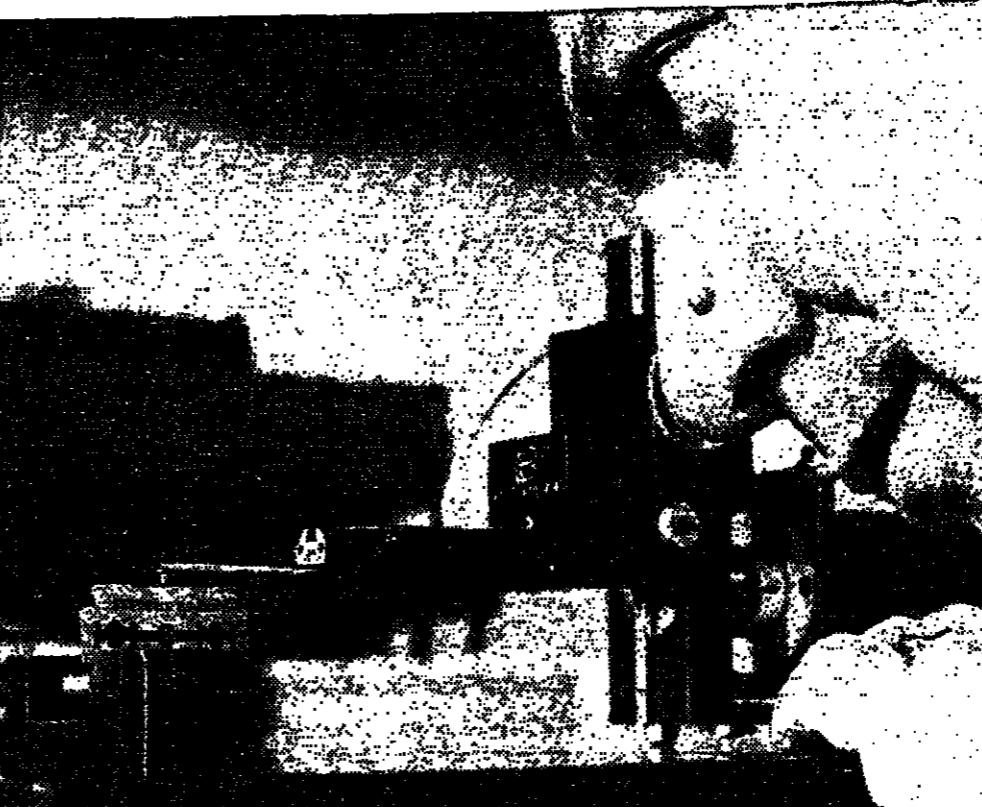
The 1000R has been devised to provide facilities known to be used by most users. These include "hold for inquiry," "automatic transfer," "operator recall," "night service" and "breaker's call" (enabling one to switch between an inquiry call and an outside call at will).

Standard facilities for the operator include ring when free, enabling her to answer an incoming exchange call on to a busy extension until it is free, whereupon it will be rung automatically, and "trunk" offering.

The exchanges offer all the now well-known advantages of cross-bar switching including fast connection, lower switching noise, simpler maintenance and smaller occupied floorspace.

At Foothill modern factory pre-wiring techniques have resulted in minimum on-site installation time since all the cabling is literally "plugged-in" in situ. Hence an exchange can be put into service relatively quickly.

## • INSTRUMENTS



Surface texture of the cutting edge of a razor blade can be measured by the TalySurf 10.

## Measuring surface texture

SURFACE texture, where the roughness is measured in micrometres, is an important parameter in many industries, ranging from the reflectivity of limestone surfaces to the oil retention on sheet steel used for deep drawing car bodies. There is a British Standard (B.S.1134: 1961) and many foreign standards (for example, the German DIN 4768: 1969) as well as ISO standards, which define how roughness shall be measured, and what tolerances should be specified.

Instruments used to measure surface texture, while operating at an accuracy usually associated with laboratory conditions, must be capable of being set up and used on the workshop floor. In some ways these instruments resemble the modern record player which uses a stylus to pick up minute surface variations and magnifies them electronically to produce a signal.

The latest instrument to provide such precise measuring facilities is the TalySurf 10, developed by Rank Precision Industries, Metrology Division, Lee Circle, Leicester LE1 9JB. It provides both Ra (centre line average) readings and permanent rectilinear graph records at the lowest magnification. The pick-up can be locked in the internal datum and used without a skid. The datum is straight to better than 0.25 micrometres over 50 mm.

Penetration of the pick-up with skid is 100mm in a 16mm diameter bore and without skid 38mm in a 6mm diameter bore.

A choice of six vertical magnifications is provided from x 1000

to x 50,000, four horizontal magnifications for recording x 2, x 10, x 20 and x 100, and five cut-off values of 0.08, 0.25, 0.50, 2.5 and 8 mm. A long traverse can be made of 12.8 sampling lengths at the 2.5mm cut-off value.

A measuring stroke is initiated by a switch on the amplifier/recorder—the remote operation ensures maximum stability when graphing at the high magnifications. When the measuring stroke stops the integrated Ra meter holds its reading. Successive readings can be obtained up to the end of the 50mm stroke.

If the last traverse is insufficient to complete the required number of sampling lengths, the instrument switches off and the meter reading is cancelled.

Two new parameter meters are available as plug-in accessories.

The first measures the Rtm parameter required by the German standard DIN 4768: August, 1969. Rtm is the maximum standard traverse unit, diamond tipped pick-up and combined amplifier/recorder.

The measuring stroke of the traverse unit is 50 mm. (previous models were 25 mm.) and manual traverse can be used for setting up. Stop limit the stroke length and a scale indicates the traverse position. To obtain Ra readings at any vertical magnification without readjustment, it is only necessary to align the traverse datum to the work piece at the

lowest magnification. The pick-up can be locked in the internal datum and used without a skid.

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## • METRICATION Explaining metric threads

UNDERSTANDING the tolerancing concepts for metric screw threads has proved difficult for a wide range of users, and a constant demand for explanation and clarification received by the British Standards Institution from university technical colleges, apprenticeship schools, and engineering colleges.

One of the main differences between the ISO metric thread system and the traditional British systems is that, although the root radius is not included in the basic profile, limiting radii are specified in the derived or mean and minimum mate forms of the BS thread.

There is only one basic major diameter and one basic pitch (effective) diameter to which deviations can be applied obtaining limiting sizes for special purposes. This is a result of a change in basic theory of thread forms.

This theory is expounded in logical progression in a paper aid explaining the ISO metric screw thread concept, sound-synchronised slidegramme has been produced by BSI in collaboration with ICA Parkshot, Richmond, Surrey, from whom it is available.

## • DATA RETRIEVAL Versatile microfilm printer

MICROFILM has often seemed difficult to many users for the basic reasons: the lack of simple and inexpensive means of coming back to full-sized copies, the fact that equipment usually only accept one or two types of film.

Designed for use in all 35mm aperture card systems but also capable of taking microfilm jackets, 16mm and 35mm film, the A2 microfilm printer from Caps Microfilm of 7 Weare Road, London, NW1, combines the quality of electrostatic printing with simple, flexible and inexpensive hardware. The unit which allows the operator to see the projected image on the screen of the machine as soon as the film is introduced, will produce a daily print-out requirement of tens or hundreds of copies in varying sizes. With its universal input and steplessly adjustable magnification from 7.4x up to 22.4x per square millimetre, the company claims that it will dramatically reduce exposure times and will be a useful aid to scientists investigating the molecular structures of metals, materials and organic substances.

The tube is a rotating anode type with anode focus of 1.0 x 0.1 mm viewed at six degrees off axis. It has provision for four point-focus windows and has two separate cathodes, which make it possible to carry out independent experiments simultaneously.

The power rating is 3.5 kW, anode diameter 18 inches and speed of rotation 3,000 rpm. The GX13 has already been ordered for laboratories in Germany, Denmark and Britain and the first units are being installed this month.

## • RESEARCH University solves problem

FACED with problems in light engineering and medical engineering, 24 large, medium and small companies have found the answers by placing contracts with the Design Unit of the Department of Mechanical Engineering at Newcastle-upon-Tyne University. In the ten months since it was established the Unit has obtained £12,000 worth of contract work and is now negotiating another five which will more than double this total.

The contracts cover a range of projects from the design of transmissions for road-making machines, a turbine test rig, heat exchangers, generator blades, fans and medical instruments to the testing of designs and components.

The Unit is led by Mr. Peter Harborth, and was set up with a grant of £21,500 from the University Grants Committee, which has recently given another £10,000.

"The latter sum," says Mr. Harborth, "covers roughly 50 per cent of the running costs of the Unit and the remaining 50 per cent are covered by income from our work." The interest which industry has shown in the Unit and the return of satisfied clients for further assistance reflect the industry's need for the expertise offered by the Unit.

"More requests are being received to investigate the malfunction of parts of machines and appliances and to design cures for the trouble," says Mr. Harborth. "For instance, we were asked to examine bearing failure in grinding machines for optical lenses. Study showed that installations and libraries in the machines had been wrongly

designed and we redesigned the whole system which now works perfectly."

Side-line concerns disrupt over designs and failure of equipment with a view to possible litigation. In a number of cases the Unit has been called in as expert witness and in every case its opinion was accepted and the cases were settled out of court.

The Unit has a particular interest in the specialised field of medical engineering, where Mr. Harborth's previous experience as Deputy Director of the Engineering Centre at the Princess Margaret Rose Orthopaedic Hospital, Edinburgh, is of value.

Recently the Unit designed an instrument for measuring the mechanical properties (friction, hardness, roughness and elasticity) of skin. The hand-held device is equipped with a spring which, when passed over the skin, causes the degree of friction encountered to be registered on a small disc in the tip of the gun. Since the friction varies in different stages of skin diseases it is hoped that it increases with the course of the disease and may have diagnostic relevance.

Although the instrument was developed for medical purposes it is believed it could be used in industry for assessing the mechanical properties of various materials.

The Unit is in a strong position to carry out its activities since it has at its disposal not only the expert knowledge of the University's 600 scientists and technologists, but also workshops, laboratories, computing facilities and libraries.

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## Encouraging year for Armitage Shanks

Mr. C. Kenneth Stott, the Chairman, reports:

• The benefits are beginning to emerge which were envisaged at the time of the merger of Armitage and Shanks in August 1969.

• Board confident in recommending an increased dividend.

• Our energies are constantly directed to increasing the Company's profitability and to maintaining the high standard of its products in an ever increasing variety of materials.

• Our overseas operations have shown an improved return on our investments and we confidently look forward to a continued and increased profit from the Group's international activities.

• Currently, turnover of our Group is ahead of last year and given freedom from undue cost increases and other factors which can affect production and distribution our course is set for another upward movement of profits.

1971 1970

Profit before tax £988,607 £637,207

Profit after tax £601,681 £369,632

Dividend 20% 16%

armitage shanks A

The largest manufacturer in Great Britain of Ceramic Plumbing Fixtures. Head Office: Armitage, Staffordshire.



# Building and Civil Engineering

## £12m. Devonport dry docks scheme

PLANS for a £12m. frigate complex at Devonport Dockyard are being discussed by the Department of the Environment with the Plymouth City Council.

The project, calling for three covered dry docks, forms part of the Dockyard's first major facelift since the last century. Long-term plans are in hand for major building and civil engineering developments worth over £40m.

These improvements will equip Devonport to refit and refuel nuclear submarines and will make it the leading yard for "typical" refitting of the Leander class frigate, and ultimately for its replacements. Typified refitting facilities aim to achieve a quicker turn-round of ships, combined with greater industrial efficiency, by centralising expertise and facilities.

The frigate refit complex involves modifying three adjacent docks in No. 2 Basin. These docks are not of sufficient size and depth to accommodate the Leander frigates, and will have to be extended and made deeper. In addition, modern cranes, workshops, stores and offices are to be provided.

A feature will be the roofing of the docks, which is expected to contribute "significantly" to quicker refitting by enabling work to continue throughout the year, unaffected by bad weather.

As the dockyard workers will have improved working conditions, besides higher levels of productivity, a consequence of the improved environment can be gained by considering

should be higher standards of workmanship.

The buildings have been designed as a solid podium, formed by the support buildings and base structure of the cover which will consist of three equal spans of 180 ft each, and is approximately 480 ft long. The cover provides a vertical clearance of 130 ft from ground level, allowing frigates to enter with their masts in position.

Another feature of the complex is the 85 ft wide ship doors and their posts. Each door consists of four vertically lifting leaves and each leaf is in separate guides. The doors are operated by a system of chains and counterweights. Some idea of the size of this undertaking can be gained by considering

## Bidston by-pass begins

A ROAD to be constructed by Merton Civil Engineering near Birkenhead, Cheshire, will carry traffic between Birkenhead and Hoylake Road, bypassing the village of Bidston.

The by-pass will also provide access to the grade separated junction at Bidston Moss, part of the Second Mersey Tunnel project with connections to the new tunnel approach road and the M53 motorway now under construction.

## Conder to supply more steelwork

FURTHER steelwork contracts totalling £520,000 have been received by Conder (Southern) involving steel superstructures for shipyards in Devon and Hampshire.

One is for a 48,000 square foot extension to the Appledore Shipbuilders dock in Devon where Conder last year provided the superstructure for the 75,000 square foot covered dock.

Involving 480 tons of steelwork, this project is intended to increase the prefabrication capacity of the yard.

Steel erection for this extension, which includes two mezzanine floors, begins in October with completion planned for early next year.

For Vosper Thornycroft, at Woolston, Southampton, a 62,000 square foot building being constructed over existing slipways, involved 1,100 tons of steelwork and is of tied mansard portal frame design.

To incorporate two 40-ton cranes and two 10-ton cranes, the building will be clad in pre-tensioned steel sheeting lined with plastic-lined plasterboard with fibre-glass infill.

Main contractor for both projects is George Wimpey and Co.

## Components guides

LATEST editions to the Architects' and Specifiers' Guide Series of reference books on building industry components are Carpentry and Partitions 1971 and Contractors' Carpeting 1971.

The first part of each book comprises guidance notes on theory, practice and design, while the second part contains details of companies, services, recent contracts and technical analyses of numerous proprietary products.

Roofing is the subject of the next book in the Series, to be published in October, and subsequent subjects include flooring, windows, doors and external walls.

The publishers are A4 Publications of Press House, P.O. Box 7, Church Road, Woldingham, Surrey.

## £1m. office work to Gleeson

CONTRACTS worth over £1m. for the erection of two buildings in one in Leicester, the other in Roehdale, Lancs., have been awarded to Gleeson (Sheffield) Ltd, of the former Went building, City of Leicester Polytechnic, valued at £527,326, comprises a 10-storey block with a podium at ground and first floor levels with two towers at second

and ninth floor levels. The block will have piled foundations, a structural steel frame, precast concrete floors, stair flights and external cladding panels and asphalt-covered flat roofs.

Work starts shortly with completion planned for December, 1972.

## Hotel and sewage work for Bovis

TWO divisions of the Bovis group have won contracts, together valued at £3m., for sewage treatment works and a hotel.

The Farr division has been awarded a £1.3m. sewage works order by the Milton Keynes Development Corporation. Various sedimentation, aeration, balancing and sludge tanks and sand filters are included in the job, for which the consulting engineers are J. D. and D. M. Watson.

Most of the structures will be in reinforced concrete, but one feature of the scheme will be an earth embankment to protect the works from flood. Substantial landscaping will be carried out to shield the works from surrounding developments.

In the centre of Bradford, Gilbert Ash division is to erect a 7-storey hotel for Arnot Muller Developments. The Norfolk Gardens Hotel, as it will be called, will have 125 bedrooms and should be ready by November 1972.

The ground floor of the 86,300 sq. ft building will include reception areas, bars, restaurant, steak-bar, entertainment room and conference room, while on the top floor there will be a dining room and sauna.

Designed by Walker and Collinson, the hotel will be of load-bearing brick wall construction with precast concrete floors.

**You can't beat the system**

Dare you! Give us a commercial accommodation problem that a Terrapin factory-built building system can't solve. Two stories, one, five... Up fast; Very fast. Anywhere.

Polar regions, or desert. Well-engineered; metric; re-locatable; extendible. Buy or hire - you really can't beat a Terrapin system.

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## ECONOMIC GROUP LIMITED

Extracts from the Statement by the Chairman Mr. J. S. Hines, F.C.A.

Your Directors have been pleased to announce an increase in net profit before taxation at £246,000 for the year ended 31st March 1971 compared with £193,000 for the fifteen months ended 31st March 1970. It has not been considered necessary to make any provision for Corporation Tax on the profit for the year as it is estimated that this will be fully offset by tax losses. In addition there will be no charge for taxation for some years on profits arising in Braby Group Limited, one of our main subsidiaries, as there are tax losses amounting to at least £23 million to be carried forward.

A final dividend of 35% is proposed making 50% for the year, compared with the same figure for the longer period of fifteen months ended 31st March 1970—equivalent to 40% on an annual basis.

Following the acquisition of Braby Group on 25th June 1970, the year under review has been one primarily of consolidation and reorganisation in the enlarged Group. Particular attention has been given to Auto Diesels Braby Limited where the financial control has been improved and a substantial saving made in both production costs and overheads. It is now clear that the future of this Subsidiary can be viewed in a different light and your Directors are confident that this Company's 1971/72 results will be materially better than the loss amounting to £94,000 for the nine months since its acquisition.

Close attention has also been given during the year to improving the financial structure of the enlarged Group. Your Directors decided to reduce during 1971 the level of bank borrowings through the sale and leaseback of certain freehold properties and the sale of a surplus leasehold property. As part of this scheme freehold property at Uxbridge was sold and leased back, realising net proceeds of £294,000 in March 1971. It is expected that sales of the other properties concerned will shortly be completed.

Excluding the loss incurred by Auto Diesels Braby in 1970/71, net pre-tax profit was running at an annual rate of £368,000. Further improvement in turnover and profitability is taking place in the current year and it is felt that with the reorganisation of the Group's operating activities mainly completed and under the first-class management available to us, the future may be faced with confidence.

Copies of the Annual Report and Accounts can be obtained on request from the Secretary, Economic Group Limited, Cowley Mill Road, Uxbridge, Middlesex.

كتابات الاعمال

## Houses, store and factory to be upgraded by Laing

THREE Scottish contracts have been won by John Laing Construction for work ranging from the Munitions Houses, under a pilot scheme. The company is now finishing another house building.

Largest of these, worth £100,000, concerns modernising houses in the Whitecross housing estate, for the same council. At Greenock, 14 factory units are to be formed from a large industrial complex. Work on the escalators in the seven-storey building is due to start.

Under the third contract, Laing

has renovated four of the units will be formed with two-storey houses, known locally as the Munitions Houses, under a pilot scheme. The company is now finishing another house building.

Laing has just been made on the £200,000 contract for the Clydach Burn Council. Central heating and hot water services are to be installed as well as new bathrooms and enlarged kitchens. Electrical wiring repairs will be renewed and necessary

repairs will be carried out.

Under the third contract, Laing

AT THE Scratchwood service area at the southern end of the M1 motorway at Hendon a 100-bedroom motel is to be built for Trust Houses Forte Group by Marples Ridgway.

A start has just been made on the £200,000 two-storey motel and completion is scheduled to take about 40 weeks. This is the fifth contract the company has carried out on site; previous jobs include the original service area, car park, restaurant and the police post and extension.

SHIELDON Contracting Company has received three orders totalling £750,000 for projects in the Midlands.

For the City of Leicester about 35,000 square metres of carriage way and footpaths are to be laid with associated sewers as part of the Granby Halls gyratory scheme under a £452,400 contract.

Situated in the centre of Leicester, the scheme is intended to reduce traffic congestion by changing the flow from two way to one-way.

Construction of about 2,500 metres of Sinecure wide carriage

way is to be laid at Billing, a suburb of Northampton, under an award from the Northampton Development Corporation. The scheme is linked to a large housing project.

Four 75 ft diameter humus tanks are to be built as part of the reconstruction of the Canwick Sewage Treatment Works, near Lincoln, for the City of Lincoln. Work involves excavations up to 20 ft in depth, entailing the removal of something like 5,000 cubic metres of material.

## Housing for Navy at Plymouth

ORDERS recently gained by George Wimpey and Co. include a £1m. housing project for naval ratings' married quarters at St. Budeaux, Plymouth, and a civil engineering job for Imperial Chemical Industries' Dyestuff Division at Grangemouth, Scotland.

Awarded by the Department of the Environment, the houses for the Navy will be built using the N-Fines method.

Scheduled to be started by the end of the year, the project calls for 208 2-bedroom houses and 25 3-bedroom houses to be arranged in 34 2-storey blocks. The steeply sloping site, which is alongside another Wimpey-built estate of maisonettes, is on a headland.

Civil engineering work for the chemical fungicide plant, which ICI will use to produce pyridines, will be carried out under a £145,000 contract involving the construction of a steel-framed building.

## Mitchell wins water works job

TEES Valley and Cleveland Water Board has awarded Mitchell Construction Company a £1m. order for extensions to a water treatment works on the River Tees. These extensions will enable the plant to deal initially with an extra 20m. gallons of water a day.

The site is the existing Broke Scar Water Treatment Works near Darlington, Co. Durham and the extended plant will be capable of dealing with water released 30 miles upstream from the newly-opened Cow Green Reservoir—also constructed by Mitchell.

Modifications to the low-lift pumping station will enable more water to be taken from the river. Three reinforced concrete sedimentation tanks are to be installed as well as a contact tank and filter block. A chemical store is also included in the 91-week project.

## Covered shopping centre

BRISTOL Corporation has approved plans for an out-of-town roofed-over shopping centre submitted by Whitchoe Macfarlane and Partners.

The firm complex will include offices, shops, flats, a health centre, public library and car parks, planned as a unified neighbourhood centre with complete segregation between pedestrians and vehicles.

All shops, flats and public areas will be created depending on demand, left as open space.

The structure of the service area and shopping level floor slab on the developer, C. H. Pearce and Sons (Contractors), will be steel framed. The covered plaza responsible for all shop fronts, will be fitted with ventilated roof lights.

All these securities having been sold, this advertisement appears as a matter of record only.

August, 1971

900,000 Units

CMI Investment Corp.

900,000 Shares of Common Stock with 450,000 Warrants

Each unit consists of one share of Common Stock and one-half Warrant. Each Warrant entitles the holder to purchase one additional share of Common Stock for \$31.75, subject to adjustment in certain events. The Warrants expire on August 26, 1975.

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# THE FINANCIAL TIMES

(Established 1888)  
Incorporating THE FINANCIAL NEWS

(Established 1854)

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TUESDAY AUGUST 31 1971

## Controlling the inflow

THE restrictions on the inward though is that the movement of funds announced funds is not guided by such by the Treasury on Friday evening are, the authorities insist, primarily a "precautionary move". It is a remarkable one for all that, at least by British standards. Other countries, Germany and Switzerland, for example, have repeatedly found themselves in situations where they have had to try to stem speculative inflows by imposing controls. But all the controls which the British authorities have administered in the post-war years were designed to contain an outflow of money, that is speculation on a downward movement of the sterling exchange rate.

### Choices

The irony in the present situation is that we are now landed with controls on both the inward and outward movement of funds. Foreigners are deterred from bringing money into the U.K. while residents remain subject to all sorts of restrictions when trying to obtain foreign exchange for a wide variety of purposes. Though the latest move must have gone against the grain for the Bank of England, the choices facing the U.K. at this stage were not especially inviting.

### Little switching

There remain the questions whether the restrictions will interfere with the smooth working of the international financial operations centred in London and whether they will prove effective. The authorities claim that there has not been much switching of foreign funds into sterling recently and that there should thus be no major change in the position. If it should prove that there are leakages—a Kiwan gap in reverse—and funds come in via some sterling areas country, further steps will no doubt be taken. In general, the latest moves serve as yet another reminder of the extent to which not merely the smooth flow of trade but also the free movement of funds around the world are being threatened by the current crisis.

The situation at the moment

## Power politics in Greece

HOPES that last week's radical reshuffle of the Greek Government would lead to a liberalisation of the country's administrative framework, has allowed Mr. Papadopoulos to appoint a number of his other military colleagues as provincial Governors, thus removing them from the real centre of power in Athens.

*allowing a return to par-*  
*liamentary rule, which could be*  
*achieved only until the*  
*foundations for a healthy democ-*  
*racy have been laid," to quote*  
*his speech in Salonica. What*  
*these foundations might be has*  
*been left deliberately vague and*  
*it will clearly be up to Mr.*  
*Papadopoulos himself to decide*  
*when the Greek people have*  
*reached the necessary degree of*  
*political maturity to elect their*  
*Government and to choose their*  
*political system.*

### Consolidated position

Meanwhile, there can be no doubt whatsoever that the Prime Minister has managed both to consolidate his own position at the head of the Government and to clip the wings of his closest associates in the 1967 military coup. While Mr. Papadopoulos retains control of the key Ministries of National Defence and Foreign Affairs, the other two members of the Colonels' triumvirate have had to accept a restriction of their responsibilities. Mr. Pappalatos, the No. 2 in the Government, has, it is true, held on to his title of First Deputy Prime Minister, but he has lost the Ministry of the Interior. He probably owes this reprieve to his popularity among the peasantry, which still makes up the bulk of the Greek population. Mr. Pappalatos' folksy ways have made an undoubted impact in the villages, which he has made a habit of visiting frequently, and his services can therefore not be dispensed with easily.

The third member of the hierarchy, Mr. Makarezos, has been less fortunate. Effective control of the country's economic policy, which used to be in his hands, has passed to two newcomers at the head of the newly-created Ministries of the National Economy and Merchant Marine, while Mr. Makarezos has been fobbed off with the largely empty title of Second Deputy Premier. At the

weekend he was still in the

Ministry of the Interior.

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# AUSTRALIA

# Financial Times Survey

# Time for decisions within and without

**MICHAEL SOUTHERN**, Australia Editor

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relaxed, sometimes the country discredited in the eyes of many people overseas after the Mineral Securities, Leopold and Queensland Mines affairs.

The facts that made the boom, however, remain. One cannot be but impressed by the natural resources in quantities that defy the imagination. In travelling around this underpopulated continent one sees mountains of iron ore, square mile upon square mile of bauxite, and desert oil rigs that are bringing great quantities of oil and gas from underneath the barren land.

There have also been squabbles between the two countries over airline rights (indeed, one continues at this time) and the changes in U.S. attitudes over Communist China left the Australian Government well behind.

So, Australia is once more at the crossroads. On previous occasions she has simply been able to take the American or British hand and follow on. Now there is no one, not even Japan. For much as Australia loves the Japanese market, she has not yet come to terms with

in that where oil and gas lie underneath the red in one sector (such as barren land, industries) a feast But Australia is now having red somewhere else to cope with other and new rals). And the country's problems which have been ons to world affairs has governed by its reliance on countries like Britain and ca for direct help and ce in matters of defence oreign policy. If Britain joins the EEC, the

### Found wanting

things are not right any longer. The underlying sense of unease of the last two years has become

The luck that for so long ran for Australia has now in addition the element of the country has found wanting. The rural is depressed and will so far for a considerable time to come remain a "poor and powerful ally," America. The price of American protection has been involvement in Vietnam and, through a massive inflow of U.S. capital and people, enormous social, environmental and economic change.

The minerals boom is going down, while the Stock exchange boom that it brought in and truly over, leaving Australia is now likened to the America of 15 years ago—rich, brash and unsure. The American influence has left

**Sold too cheaply**

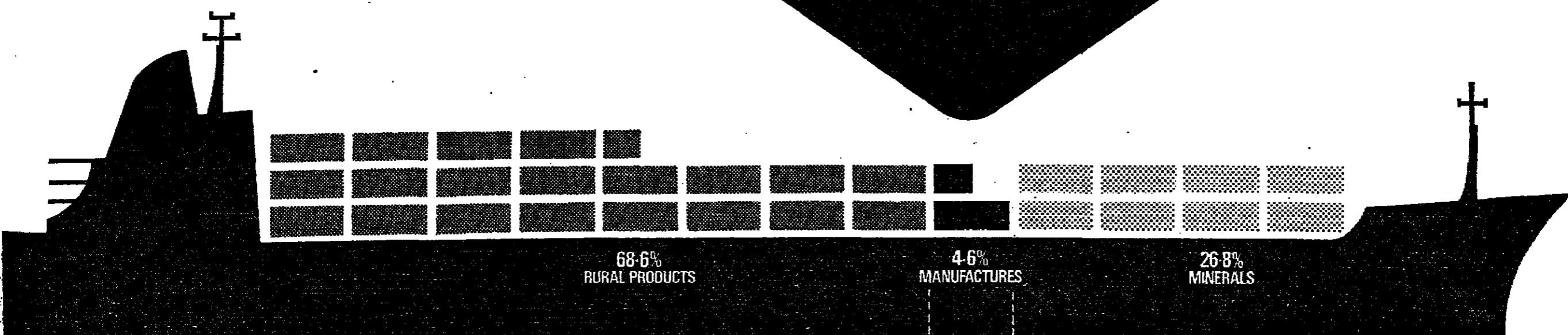
But the economic impact has been most felt in U.S. buying of Australian assets and land as well as in the financing of giant projects for which there was not enough money locally. There is public outcry against this as the value of the dollar depreciates and the value of the assets increases, leaving a bitter taste in Australian mouths and the suspicion that their assets were sold too cheaply. Economic nationalism, which subsided a little while ago, is returning. But the American relationship

But the American relationship is also weakening, partly as a result of the pull-out of the U.S. from South-East Asia and very much as a result of President Nixon's latest economic package, which is seen as causing great damage to the finely balanced Australian economy.

Under Menzies the country saw a long and stable period of leadership. Since his retirement, the only certainty was that the Liberals were in power. One hardly knew who would be Prime Minister or for how long.

A detailed map of Australia showing mineral resources and major cities. The map highlights various states and territories: Northern Territory, Western Australia, South Australia, Queensland, New South Wales, Victoria, and Tasmania. Key minerals shown include Uranium, Bauxite, Iron, Natural Gas, Gold, Copper, Lead, Zinc, Silver, Nickel, Coal, Oil, and Mineral Sands. Major cities like Darwin, Alice Springs, Perth, Fremantle, Kalgoorlie, Port Hedland, Mt. Newman, Mt. Isa, Mt. Goldsworthy, Pilbara, Broome, Mt. Price, Mt. Whaleback, Gladstone, Brisbane, Newcastle, Sydney, Maitland, Cobar, Broken Hill, Adelaide, Melbourne, Geelong, Hobart, and Launceston are marked. A compass rose and a scale bar indicating 500 miles are also present.

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# AUSTRALIA



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## AUSTRALIA II

# Inflation must be curbed

By R. I. DOWNING, Ritchie Professor of Research in Economics at the University of Melbourne and President of the Academy of the Social Sciences in Australia.

Australia's economic growth rate during the 1960s has, at over 5½ per cent a year, been higher than that of any other Western country. The growth rate fell below 4 per cent during 1970-71, and unemployment rose from 53,000 in June 1970 to 71,000 in July 1971. Nevertheless, the pace of inflation accelerated sharply. Average earnings rose by 10½ per cent compared with 5 per cent between 1965 and 1968; retail prices by 4.8 per cent compared with 2½ per cent.

The Federal Budget pushed hard the conventional, but now discounted, idea that stagnation-inflation can be stopped by cutting expenditure and increasing taxes. The prospect is for an increasing loss of potential production, rising unemployment, continuing high rates of increase of earnings, and a further acceleration in the rate of increase of prices as employers seek to overcome last year's lag of prices behind earnings. In 1970-71, total wages and salaries paid increased by 14.7 per cent over the previous year while company income fell by 0.7 per cent, farm income fell by 24.4 per cent and other unincorporated enterprise income rose by 5.7 per cent.

Table 1 shows the Federal Government's domestic outlays over the past two years and the estimate for the current year. The annual increase column is corrected for changes in the number of pay-days in particular years and for the full-year effects of changes in cash social benefits introduced during the financial year. The percentage increases in the last column measure effectively the impact of changes in Government spending on the level of economic activity.

There is therefore a very substantial cut proposed in the rate at which Commonwealth Government expenditure has been increasing.

In addition, the budget

imposes increases in personal income tax of \$88m. (by a 2½ per cent surcharge on last year's rates) and in company income tax of \$24m. (by eliminating the concessional tax rate for the first \$10,000 of company income), and increases of Customs and Excise on tobacco by \$21m. and on petrol by \$43m. The increased revenue from these changes in tax-rates will be \$156m. compared with an increase of only \$30m. from the previous year's changes in tax-rates.

**Higher charges**

The increase in Government expenditure net of revenue from changes in tax-rates was 14.5 per cent in 1970-71 and is estimated to be only 4 per cent by 1971-72, productivity by 10 per cent, earnings by 7 per cent.

Table 1 — DOMESTIC OUTLAWS

Year	Federal domestic outlay	Annual increases	
		\$m.	for calendar effects
1969-70	6,675	+632	+10.5
1970-71	7,659	+937	+15.0
1971-72 (estimate)	8,311	+541	+7.1

Table 2 — INDICATORS

	(Increases over previous year)				
	Non-farm	Non-	farm	Average	Retail
	product	product			
Non-farm	Non-	prod-	avg	retail	
%	%	%	%	%	
1968-69	5.9	3.2	2.6	7.5	2.6
1969-70	6.9	4.0	2.8	8.4	3.2
1970-71	4.4	3.7	0.7	10.5	4.8
1971-72 (estimate)	(2.8)	(2.5)	(9.0)		

charges for various Government services, bringing an extra \$50m. to the Post Office and an extra \$11m. for radio and television licence fees. The charges for chemists' prescriptions have been doubled, from 50 cents to \$1, but pensioners will continue to get prescriptions free.

For 1971-72, the migration target for "permanent settlers arriving" has been cut to 140,000 from the original target of 180,000 for 1970-71. Unemployment is likely to continue to rise, perhaps to 90,000 or more by June 1972, in which case it would be nearly 2 per cent of the employed workforce. The rapid increase in the rate of participation of married women in the workforce is likely to slacken.

Surveys of investors' expectations indicate reduced ex- in restraining income increases

The Treasurer implies that the Government spent too much and taxed too little in 1970-71. Had it spent less and taxed more, production would have increased less, unemployment would have risen more and earnings and prices would probably have risen at the same rate.

The Government's fiscal policy for 1971-72 must be presumed likely to dampen activity and increase unemployment without abating inflation.

It would have been preferable to seek to restore rates of increase of production, productivity and employment, and to tackle inflation directly through incomes and prices policy designed to stiffen employer resistance to income-increases and to rally public opinion against unjustifiable price increases. Government leadership is to be restrained in its expectations of restraining income increases.

## Decisions

— (Cont'd.)

Continued from previous page and who would be in or out of Cabinet as personal whims became the decisive factor. It is a sad state of affairs which still prevails at a time when, more than ever before in its history, Australia needs leadership as economic and financial independence is forced upon it.

Australia is emerging as a South Pacific and South-East Asian nation. As the wealthiest country in the region, it is being looked upon by the smaller countries for leadership and help in defence and economic aid. So far, this leadership has not been given.

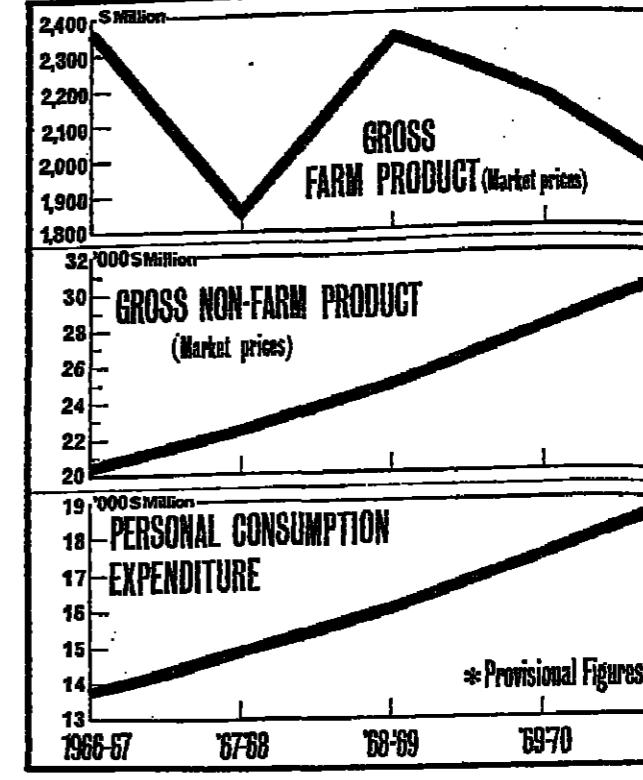
The withdrawal of British and U.S. influence will force decision-making upon this country as it comes to terms with people who are geographically neighbours but racially and culturally alien. There is talk, sometimes, of a common market for the area—but if this implies free movement of people, Australia will reject it.

The bulk of aid goes to Papua-New Guinea. But can Australia be said to be taking the South Pacific seriously (as the Government has claimed) when its grant to the South Pacific Commission is only \$A305m. and South Pacific economic aid is only \$A1m. in a total foreign aid budget of \$A186m.?

**Affluent country**

On the other side of the coin, Australia is an affluent country whose people are very much concerned with material things. Gross National Product in 1970-71 was \$A23,028m. against \$A20,107m. in the previous fiscal year. Personal spending has been rising at a rate of 9 per cent a year, incomes have been rising rapidly. This wealth is manifested in the urban society that is any Australian city, with its large

The Financial Times Tuesday August 31 1971



## BASIC STATISTICS

Area: 2.97m. square miles	Foreign trade* (12 months)
Population: 12.79m.	June, 1971:
GDP (1970-71): \$15,431m.	Imports: \$2,248m.
GDP per capita: £1,210.	Exports: \$2,353m.
Foreign trade (1970):	Imports from U.K.: \$413m.
Imports: £1,887m.	Exports to U.K.: \$221m.
Exports: £1,981m.	Exports from U.K.: \$246.1m.
Exports to U.K.: £260.1m.	Rate of Exchange: £1=\$2.14.
	* Provisional

for the quarter of the work and product per head by force for whose incomes it cent a year. The prospects for controllable, and tax penalties for private employers who increase their average payroll per employee above a prescribed norm, and investors, both domestic and overseas. Seven countries, each determined to in national prosperity, many growth-points with depressed areas. Great improvements in rail, road, air transport are linking scattered regional markets one large-scale national economy.

## Falling prices

Innovations in primary production have done much to set falling overseas prices the export-base of the economy has clearly shifted to mine Overseas trade prospects have been transformed by the growth of Japanese demand materials, many of which are supplied by Australia. It is to be expected that there will be a substantial in in the domestic processing these materials, thus adding the growth of manufactured exports which have risen from 6 per cent of exports in the early 1950 nearly 20 per cent.

Entry of Britain into Common Market will bring great losses on some sectors of the economy but they are sectors. The economy whole will not be seriously affected.

Overseas capital is flowing in at very high rates. \$1,380m. in 1970-71—and change reserves are at record level, having increased further \$600m. in 1971. Nevertheless, of the 28 per cent of gross national product over the past five years, per cent has been finance domestic saving.

The Australian economy has grown rapidly since the end of World War II. Population has risen from 7.1m. in 1947 to 13m. or by over 2 per cent a year, with nearly half the increase coming from migration which is still predominantly British. The work-force has risen during the 1960s by 2.8 per cent a year. Gross national product in 1970-71 was \$33,000m.

Productivity has been rising by 2½ to 3 per cent a year. This is a remarkable change from the near-stagnation of the 1950s from 1932 to 1947, position to call for popular operation in the restraint perhaps only 2 per cent a year rising money incomes.

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## AUSTRALIA III

# Rough time in politics

By MICHAEL SOUTHERN

For Mr. McMahon, the honeymoon as Prime Minister is over. In the time that has elapsed since his March election after the bitter party dispute that deposed Mr. John Gorton, the new Prime Minister has achieved little other than ridding himself of Mr. Gorton as his deputy party leader and a Cabinet minister. And, according to a nationwide opinion poll last month, the very act of chopping Mr. Gorton's swing the electoral support that Mr. McMahon had over to the opposition Labour Party.

It has been a rough six months just as Mr. Gorton had rough six months from September last to March. The Liberal Parliamentary Party is divided under Mr. Gorton, is even more divided under Mr. McMahon. It may be that with Gorton gone, Mr. McMahon will begin to show the qualities of leadership that this country is looking for in these confused times of stab and counterstab. Mr. McMahon will have to show quality very soon if he is to bring the Liberal Party back to the public confidence.

Some time between now and November 1972 Mr. McMahon is to face an election. On his present standing, he would lose, go with the vexed issue of whom almost resolved by the announcement that troops will be withdrawn. There is little to choose from in terms of liberal philosophy between the Liberal and Labour parties. But at least the Labour Party has overcome its divisions and has, Gough Whitlam, a leader who has emerged as an alternative prime Minister. Equally, the Labour Party knows full well that it must hold itself together to win this next election. If fails, there will be a Liberal government in this country for us to come.

There is every reason to believe that Mr. McMahon will want to go to an election next March. By then, the troops will be home from Vietnam; the price rises ought about by his budget will be forgotten, but the pension rises will not. By then too a real squeeze on liquidity and the unemployment that deflationary budget processes will not have been fully t—that is something for the quarter of the financial year. So, the options are for us, or to take the chance of getting through to the bitter end with the hope that a giveaway in August will sweeten the electorate.

But before Mr. McMahon consider an election, he desperately needs to win the confidence of his Parliamentary party. "Do you anticipate any challenges to your leadership as Gorton has had?" he was asked the day he became Prime Minister.

"I hope not," Mr. McMahon said, "but I hope that I will be able to so change the Party

Party. The price of this support has been high for the coalition.

Whenever the election comes, the one thing that may be lacking is an issue. The differences between the two parties is slight on domestic matters and not that variable on foreign affairs. McMahon's Government is happy to play with South Africa. Mr. Whitlam is not. Mr. Whitlam wants to recognise Communist China at the expense of Taiwan. Mr. McMahon, who has been totally blind on the question of China, is now prepared (as he must) to follow the Washington line of a joint recognition. Mr. Whitlam has long argued that Australian troops ought to be out of Vietnam, and Mr. McMahon is finally pulling them out. Mr. Whitlam is anti-national service and Mr. McMahon is for it.

## Ambitious man

Mr. McMahon's lack of control over the parliamentary party was made clear when Senator Sir Magnus Cormack was elected President of the Senate and Mr. Billy Snedden the deputy leader of the Party. In both cases, Mr. McMahon had his support out for another candidate. And the very presence of Mr. Snedden as deputy leader is in itself a challenge, for Mr. Snedden is an ambitious and forceful man.

Mr. Gorton, too, is anything but out of the running for another bid for leadership. In Australia, it is not enough to win the popular vote if one is Gorton sees himself as being to govern as the Labour Party called back as leader of the party, particularly if Mr. McMahon loses the next election. He still has a great deal of support and public sympathy, and already, the electorate and the newspapers which played such an important part in his downfall appear to have forgotten the harsh criticisms they had to make of the man while he was in office.

In all of these squabbles, the Country Party has been admirably silent. But then it has problems of its own as rural industries decline and discontent among its supporters grows. The rural industries (and hence in a senate that is hostile to the Country Party) have Government, holds the balance of power. At election times, the effects of inflation push costs up, the tariff policy makes being given to the Government client. It warned them to expect necessary imports dear, and that frustrates the Labour change of Government soon.

## Law and order

And, the Country Party has lost its real strength with the retirement of Sir John McEwen, the man who kept Mr. McMahon out of the Prime Minister's office for so long because of his undue influence over the Liberal coalition. Sir John had the firmness and grip over his Parliamentary colleagues that the Liberals have not seen since Sir Robert Menzies retired. Mr. Doug Anthony, the new Country Party leader, has none of this talent for leadership.

So, the Government is a divided group, lacking leadership, lacking direction and desperately looking for a way out. It also lacks the statesmen of the Menzies' calibre (or even a Holt) to pull it together. The opposition for its part, however, has its leadership, and will keep its squabbles quiet now that the long cherished goal of government is in sight.

The primary votes only to be thwarted by the preferential voting system which it is determined to abolish once it achieves power. For who governs Australia is determined by minority parties, and in particular the Democratic Labour Party which has an unusual and influential role. Its roots are in the Roman Catholic Church; its platform is anti-Communist. It does not have a man in the House of Representatives but with five Senators the rural industries (and hence in a senate that is hostile to the Country Party) have Government, holds the balance of power. At election times, the effects of inflation push costs up, the tariff policy makes being given to the Government client. It warned them to expect necessary imports dear, and that frustrates the Labour change of Government soon.

## Abrupt end to defence initiative

By KENNETH RANDALL

In his brief five months as largely aborted worthwhile career as the responsible Minister. His obvious insecurity in any middle years of Sir Robert Menzies' reign as Prime Minister had been the major obstacle to furtherance of Mr. Gorton's new ideas. His dismissal, and a series of subsequent announcements, have served to demonstrate the Government's rapid de-emphasis of defence as both a political issue and a national priority.

There will be no significant pressure from the Labour Party opposition to retain it as a top priority. Though both the major political parties vehemently deny the suggestion in public they seem to be headed almost inevitably for a considerable measure of bipartisanship in defence and foreign policies—Labour by design, the Government from lack of alternatives.

Labour, as a matter of firm policy, opposes the stationing of any Australian forces overseas but supports the concept of close defence co-operation with friendly, neighbouring countries supported by regular joint exercises and highly mobile forces. Nominally, the Government remains committed to a concept of so-called "forward defence"—the Menzies concept—but finds the means of its practical implementation progressively slipping away.

The formal announcement on August 18 that all Australian combat forces will be withdrawn from Vietnam by Christmas, and that all other elements and equipment with the exception of about 30 training personnel, will be brought home by February or March next year will leave only one battalion of troops (in Singapore) and two Mirage fighter squadrons (in Malaysia) based outside Australia.

There is a strong feeling that, even without a change of Government, the Malaysia-Singapore arrangement is unlikely to persist beyond the middle 1970s.

It was with these prospects in mind that Mr. Gorton began to stress last June and July the elements of "flexibility" and "independence" as keystones of policy planning.

The policy of "forward defence" as it was inserted into the Liberal lexicon by Sir Robert Menzies meant, in crude terms, "we fight them there so that we do not fight them here."

Even by more refined definition, the term was, as a leading commentator recently put it, "a

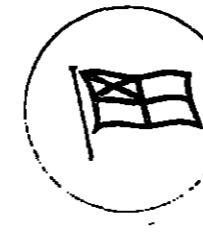
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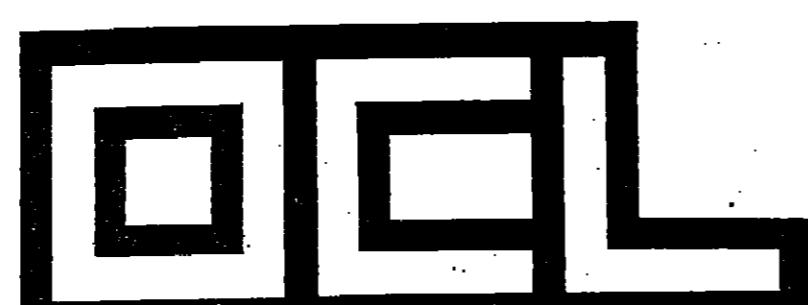
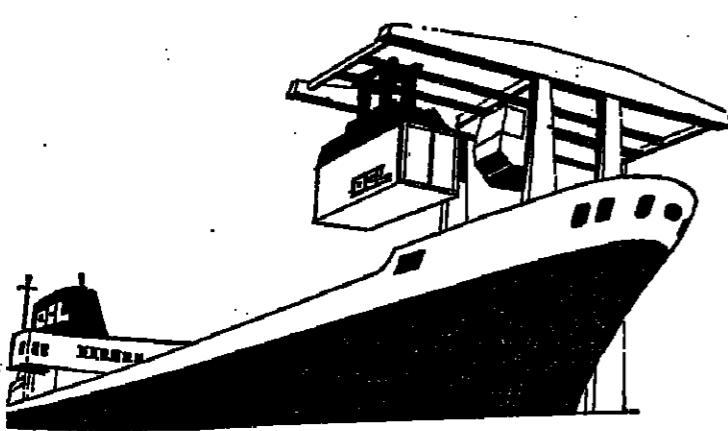
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# QUEENSLAND AUSTRALIA

## AUSTRALIA VI

# Adjustment continues in trade with U.K.

By MICHAEL SOUTHERN

This is not the year to be making any sort of predictions on the future of Anglo-Australian trade. The British relationship is no longer the dominant factor in Australian trade. Gone are the days when Britain supplied some 40 per cent of the Australian import requirement and took 30 per cent of exports. And the readjustments, which have been taking place over the last ten years, have been seriously impaired by the prospects of EEC membership, the current dollar situation and marked change in the Australian import requirement.

At the end of June, when the Australian financial year closed, the pattern of Britain as a supplier of 21 per cent of Australian imports had reasserted itself for the third consecutive year. Australia imported goods worth \$4.150m. Last year, a rise of 6.9 per cent over 1969-70's \$3.881m. The rate of increase, however, showed a marked drop from the pattern of 12 per cent that had evolved over the past two or three years.

Britain's exports were worth \$887m., compared with \$845m. in the previous year. The rate of increase was 5 per cent. So, to stand still in this market, the British effort really has to show an average increase of something between 5 and 10 per cent. The 1970-71 effort of 21.3 per cent of total Australian imports has put the British down on the 1969-70 total of 21.5, and shows quite a drop from the 21.8 of 1969-70.

By comparison, the Japanese last financial year pushed their exports to Australia up by 19.1 per cent and the U.S. by 7.9 per cent. In some respects,

these are not meaningful figures Dutch in particular, on the which exhibited in Melbourne recently and sold well.

The requirements of the Australian market are also changing rapidly as the base of the economy switches. The sort of machines required to serve the mining industry are generally only available in the U.S. or from Japan under licence. Companies like Vickers have met this switch by manufacturing similar or licensed equipment in Australia but that is, alas,

### Third best

Meanwhile, exports from Australia to the U.K. decreased, from \$478m. to \$474m., although Britain still ranks as Australia's third best customer after Japan, which bought to the value of \$1.178m. (\$1.016m. in 1969-70) and the U.S. with \$499m. (\$525m. in 1969-70). So Aus-

tralia remained among the top half dozen British customers and Britain the third best for

the market.

That there is a demand still for some capital goods has been witnessed by the success of ducts, new designs and cost British have no relevance I

for quite a long time, a few that the Australian market is look after itself, and the re was not so much a loss business but a failure to abreast of the local scene changing tastes.

### Too casual

For all the efforts of diplomatic representatives, all the visits by trade Minis: the simple fact remains this is a market which can be assessed by visiting it. It has been an increasing nun of missions under British government aid programmes those who come find themse faced with only a short ro of cocktail parties and off functions and lots of time study the market and their contacts.

There are a few other po which need to be made. If this is an affluent cou where personal income and being manufactured locally and sonal spending is increa the capital investment from rapidly. Also, the indust British companies has at least development in mining, oil manufacturing is going at not lost. Indeed, some compa panies have found that their are in many areas creati investment in Australia has bad reputation for themself opened new markets in other with slow deliveries, a South Pacific Basin countries casual feeling for this are Secondly, the new suppliers and an apparent lack of conc have been able to make serious which is reflected in the inroads into the once dominat British position with new pro tives who complain that "engineering companies advantages. Thirdly, there was, any more."

## New Zealand is moving closer

By DAI HAYWARD, New Zealand Correspondent

New Zealand enjoys almost a love-hate relationship towards Australia, reaction which has reacted Zealand exports to \$37m. wi its big neighbour across the Tasman Sea, combining an ad without any intention on the trade. Both totals will be part of the Australians to do increased this year.

Tourism is of pri fighting qualities, which extend beyond the common battle fields they have shared, to a distrust of the aggressiveness and suspicion of the brashness in the Australian character.

New Zealand has warmer feelings towards Australia than to any other country—with the possible exception of Britain, and whereas the bonds with Britain are rapidly weakening

those with Australia are growing stronger; but there remains a certain wariness of Australia with its bigger resources and strength. This extends to trade but thanks to the efforts of those who have worked hard to make the New Zealand-Australia Free Trade Agreement—Nafta—a success, there has been a radical change in this area.

The past year or so has seen an almost complete turnaround in the general attitude towards Nafta by manufacturers and exporters on both sides of the Tasman.

Five years ago it was the New Zealanders who were cool in where New Zealand has established a large volume of exports with suspicion, amounting almost to hostility, as part of some slick Australian plot to take over the New Zealand market. To-day the reluctance to extend the agreement and fears of the advantages it might give to competitors comes almost entirely from the Australians.

### Marked change

This change in the Australian attitude is extremely marked. Those concerned with the extension of Nafta say it is based at least partly on an Australian super-sensitivity towards even small quantities of imports of goods which they themselves make. New Zealand exports of such items as carpets and consumer durables has upset some Australian manufacturers.

One result has been that New Zealand has played down some of its export successes and many items largely manufactured in New Zealand have lost their Kiwi identity by the addition of Australian finishing or packaging which has then put them on the market as Australian products.

There have been considerable New Zealand exports successes, with items ranging from biscuits to refrigerators carving out sizeable slices of the Australian market.

These results have grown with the confidence born of success as New Zealand exporters ventured at first rather timidly into the Australian market and found, somewhat to the surprise of many, that not only could they compete but that they could win profitable orders right in the Australian manufacturers' own backyard. As a result, and as a result of the incentive given to exporters by Nafta, the terms of trade between New Zealand and Australia have changed from 4 to 1 in Australia's favour to 2 to 1 just a few years.

It is unlikely that New Zealand will ever achieve parity in trade with Australia—indeed, it does not expect to, but the trade balance is now much more in line than it was.

This in itself has made the Australian manufacturers more aware of the competitiveness of the New Zealand exporter, who sometimes suffers the backwash of the trade protection contro very going on in Australia. There have been times when the Australians, hitting out at imports of cheap Asian pro-

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## AUSTRALIA VII

## Trade and the EEC

by MICHAEL SOUTHERN

In the ten years that have radical changes in its pattern of trade and export income of \$4.131m. Of those since Britain first of trade with Japan becoming the major market, and the U.S. took 44m. worth. Breaking the balance of payments works canned or dried Australian political problems. One thing again, and possibly succeed. So, workers without any effect on that has not changed is the attitude of Australian farmers that everyone in general and Britain in particular own them a living and that they should be allowed to continue as farmers be they economic or not, needed or not.

share of that was \$29m. So, the potential market—they simply could not afford to buy fresh or dried Australian fruits. As for the Japanese market ket, the Financial Review reported that if the total butter exports, and the U.K. market ket, the Financial Review reported that if the rate of increase in consumption continues at present levels for canned fruit, it would take 2,000 years to replace the U.K. outlets.

The fruit industry is even more dependent on the British market. In the 1969-70 year, its total contribution to exports was \$94m., of which the U.K. took half, and the EEC 10m.

Exports account for 80 per cent of Australia's dried fruit produce.

Unlike the dairy industry, sugar's problem is perhaps the saddest of the three. This is a highly efficient industry capable of supplying the whole EEC bloc at lower prices than it now pays, or will have to pay for beet sugar. It is becoming quite clear that if Britain enters the EEC, the sugar industry will, after the expiration of the Commonwealth Sugar Agreement in 1974, lose all of its 335,000 ton quota to the U.K. This, in 1969-70, was worth \$32m., or about 26.1 per cent of the total exports. Unlike

other industries, the sugar men cannot simply go out to find other markets. They are regulated by international agreements. The U.S. market has been placed in jeopardy by the sale of harvesters to Cuba and the Japanese market of 600,000 tons a year, worth in cash \$38m., is not big enough to take up the slack.

## Economic argument

But in each of these industries, the economic argument is secondary. The Australian economy is big enough and healthy enough to cope with the

immediate financial problems it not been as far-sighted as it concern. One is immigration. brings. What it cannot do is could have over the last decade. During the last 20 years, Australia has resolved the social, human and knowing that Britain would try to absorb 2m. migrant

political problems. One thing again, and possibly succeed. So, workers without any effect on that has not changed is the attitude of Australian farmers that everyone in general and Britain in particular own them a living and that they should be allowed to continue as farmers be they economic or not, needed or not.

On the wheat front, the impact of the EEC will be minor faster rate than it could have had to adjust, in many cases been re-trained, the Australian farmers have done little and would not be receptive to direction of labour by a government.

In the sugar industry, more

than 250,000 people living in the north of Queensland are dependent upon that 0.7 per cent of total Australian exports to which the White Paper referred, for their living. So too is a network of railways, air-lines, townships and ports. The economic redevelopment of north Queensland is not fast enough to cope with any major unemployment that the reduction in sugar will bring. A switch to other forms of rural pursuits, such as cattle, presents problems because of the size of holdings, and the fact that to maintain the present income levels, prices would have to rise by about half again. Dried fruit enjoys a 5¢ a ton preference which will be changed to a 6 per cent tariff once Britain enters the EEC. And the currently dominant place of Australian dried fruits in the EEC itself is not secure in that when fruit-producing members of the Commonwealth say they can meet the Community requirements. Australia can supply. There will not be a great deal of worry in this field if Britain joins the EEC, except among the 55,000 farmers, their families, the mills processing factories and the towns that have sprung up to service them, facing serious problems. They do have alternatives and some have already made the switch towards beef. As rising costs take over, many have walked off. Of those who remain, a third earn less than \$1,000 a year, and 55 per cent earn less than \$2,000 a year. They are in poverty, and this poverty will be heightened with the loss of the U.K. market. So far, the Government has failed to produce any satisfactory alternatives, and the industry itself has

more around the EEC for jobs—Italians to Britain, Britons to other member countries with a shortage of labour, such as Germany. This could lead to a serious downturn in the quality of immigration, and, in turn, a slowdown in economic growth.

## Hope for wool

Wool is again another story, it has suffered so much that the EEC can do little but good. In any case, the Common Market has no common policy for wool. Wool has become a symbol of affluence in a consumer society and rather than decline, one can only see hope for this currently devastated industry.

The meat industry also stands to gain. There are estimates circulating in Australia which show that the affluent society of the EEC will have a shortfall in meat production of at least 1m. tons a year—a shortfall that Australia can supply. There will not be a great deal of worry in this field if Britain joins the EEC, except among the prime lamb producers who are already in serious financial trouble. Britain takes only 8 per cent of total beef and veal exports, and 8 per cent of mutton. Lamb is another story. Britain takes 40 per cent of the 40,000 tons exported, and as such is the biggest single outlet. This represents 5 per cent of total lamb output.

In the rural sector, exports worth a total of \$A29m. are still some who constantly note that Britain is not there. There is an election sometime between now and the end of next year. But there are other areas of with.

## No clear line on U.S. alliance

by GEOFFREY FAIRBAIRN

It is now just over 30 years such facilities, their general American alliance is becoming increasingly obscure, particularly so far as Asia is concerned. Unfortunately for Australia, the Labour Party shows no signs of giving the country a moderately conceived independent leadership appropriate to the rapidly changing world scene. Until both parties realise that henceforth Australian fruits will be excluded.

The lack of new markets is not but part of a rapidly changing world scene, Australia but lack of anywhere else to sell. Asians do not offer a

market. It is becoming quite clear that if Britain enters the EEC, the sugar industry will, after the expiration of the Commonwealth Sugar Agreement in 1974, lose all of its 335,000 ton quota to the U.K. This, in 1969-70, was worth \$32m., or about 26.1 per cent of the total exports. Unlike

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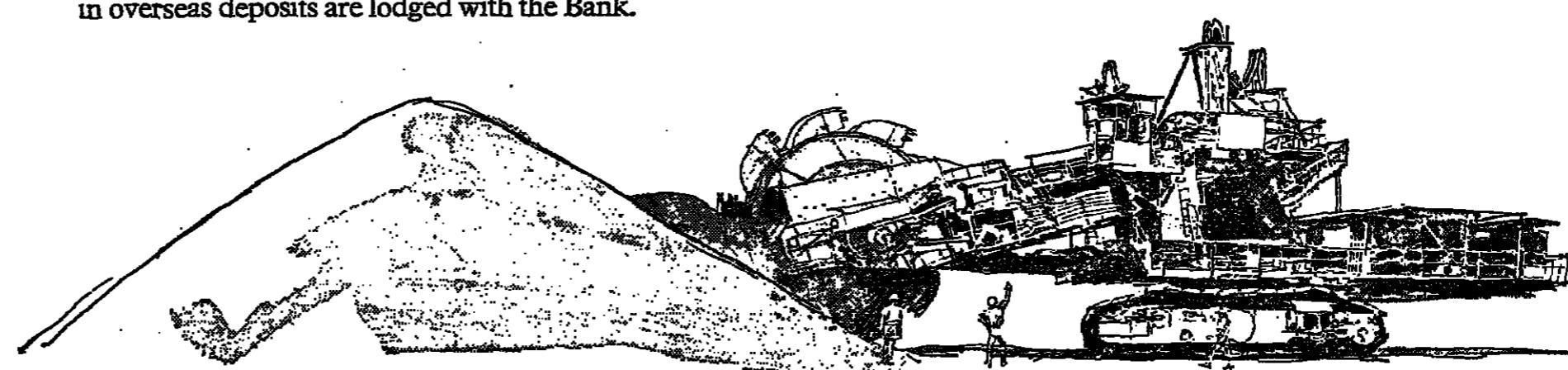
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## AUSTRALIA VIII

On this and the next page, a look is taken at the structure of the capital market with articles on the securities market and banking.

# Stock Exchange boom has suddenly turned sour

By LESLIE CARLYON

AFTER the pleasure, the pain. The degeneration of Australia's torrid share boom has brought turmoil to the securities industry—an industry which just two years ago bubbled out optimism like some eternal spring.

The turmoil is compounded of three related elements. First, there is the collapse of the speculative share boom itself. Second, there is the recession this collapse has brought to the broking business. Third, there are the ethical problems of the broking industry. The market collapse brought much moralising, a little witch-hunting, a spate of Government inquiries, and much criticism—most of it justified—of the way Australian stock exchanges are run.

The tinselfy wand of the mining boom transformed Australia's exchanges. Turnovers soared: between 1968 and 1970 the annual turnover in mining scrip on the Melbourne Exchange rose from 40m. to 1,122m. shares. The public, mesmerised by the huge capital gains made in stocks like Western Mining, crowded back into the market. Brokers found themselves dealing with gullible and inexperienced clients, and institutional business suddenly became relatively unimportant. And there was a new force pushing share prices up and feeding that eternal spring: foreign portfolio buying, mainly from Britain. In the decade to 1969, foreign share purchases totalled \$4.778m. Half of this came in the two years to 1968.

### Share turnovers

What a convulsion when this wonder world began to disintegrate. It began to collapse early last year when the Tasminex myth exploded. Tasminex shares raced to better than £40 on the London Exchange on talk that the company (a small-scale explorer) had uncovered a huge nickel deposit. It was soon clear that the company had found little to justify a share price of £1—let alone £40.

The trauma which began with the incredible Tasminex has been long and conclusive. Share turnovers, for instance, have fallen spectacularly. In January, 1970 (the top of the boom) the value of oil and mining dealings on the Sydney Stock Exchange was \$A233m. In January this year it was \$A34m. Confidence in mining issues was soon in tatters; indeed the names of the wilder speculations have become dirty words. There are now few speculative mining floats—for the impeccable reason that no one wants them (at the height of the boom up to a dozen floats would be announced in a week). In any case, tougher stock exchange listing rules have deterred the promoters who so skilfully exploited the boom mentality.

## Strong currency position

By KENNETH DAVIDSON

Until Japan's surprise it is likely that the balance of decision to let the yen float, payments forecasts for 1971-72 Australian monetary authorities will have to be revised down in the Reserve Bank and the Treasury were "sitting on their hands" in the international currency crisis precipitated by the Nixon Administration.

If the yen settles around an effective 10 per cent. revaluation however, there is expected to be pressure on the Australian Government for an upward movement of the Australian dollar by 6 to 7 per cent. against the U.S. dollar compared with the pre-currency crisis parity.

With the yen up against the U.S. dollar, a 6 to 7 per cent. revaluation of the Australian dollar would be the minimum necessary to convince the rest of the world that Australia was on a realistic new parity without the prospect of a further revaluation at some time in the near future.

### Embarrassing rate

There is a need for an appreciation of the Australian dollar, not only because of the potential pressures of a flow of "hot" money from overseas (and indeed to deal with the present level of capital inflow which is already on the high side) but also to ease domestic inflationary pressures.

So far this year the rate of increase in Australia's international reserves have been embarrassing and clearly Australia has been moving towards a situation where it would be clear to the rest of the world that the Australian dollar is undervalued.

In one sense the present instability in currency parities is to Australia's advantage. It will provide an impetus for a revaluation which, if it could be argued, should have taken place in any case but which was unlikely due to the pressure of exporting interests and protectionist manufacturers who still have influence within the Country Party segment of the coalition Government.

Assuming that Australia does

revalue by 6 to 7 per cent. then

control. The attacks on the traditions of the industry have been so severe, so persistent, that it has begun to nurture a siege mentality. And while it is true that the exchanges have spewed out some reaction, there has already been more reform, more talk of reform, more radicalism, within the industry than for the whole of the previous decade.

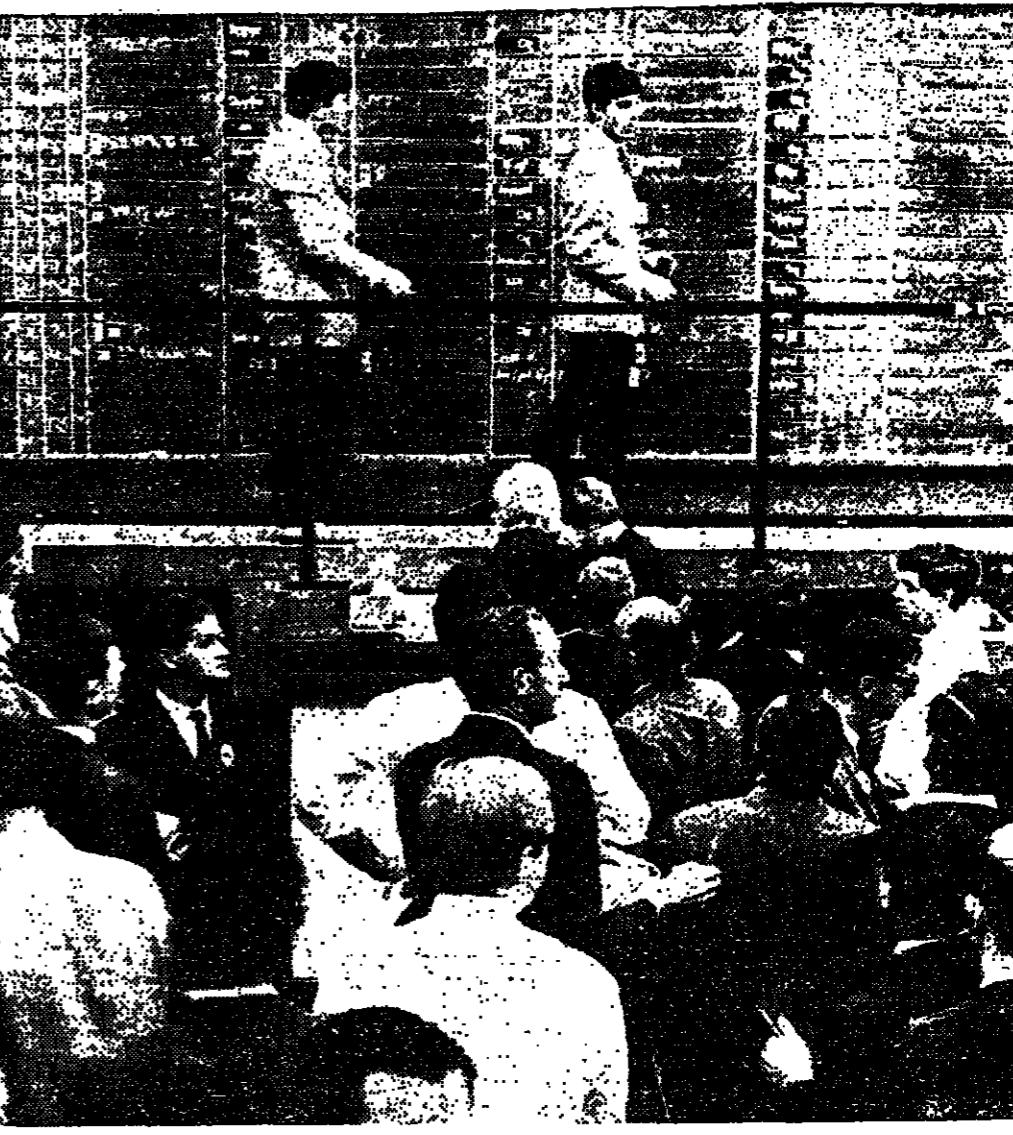
### Brokers blamed

There is now resignation that the charmed old world society of share broking is becoming irrelevant. It is no longer a desire to maintain that "we are all good chaps." It is a time of bewilderment and cynicism among brokers.

The small arms fire has come from a public disenchanted with the share market and inclined to blame brokers for their own follies. A Senate committee, set up after the Tasminex affair to investigate the industry and how it should be controlled, has fired most of the howitzers. Its aim has been uncanny. The Senate committee has been piling up evidence all year, layer on fateful layer.

It has established that the broking industry has enormous difficulty regulating its own members, let alone listed companies, that exchange hierarchies gave little thought to practices like short selling, brokers dealing as principals and brokers sitting on Boards of public companies. It has exposed the differences in style and philosophies between the six mainland exchanges. Perhaps most damning of all, the committee has found that exchange executives have no clear portrait of their own industry—and therefore cannot be certain of its stability, its efficiency, or whether it is being run in the public interest.

For brokers, all the financial agonies of the recession have been aggravated by mental agonising about how—it is no longer a question of "if"—the exchanges should reform themselves, and how much they should submit to outside con-



A hectic time at the Sydney Stock Exchange.

president. This should sweep industry from the Senate committee should, at worst, enlighten the debate on how the exchanges. Responsible exchange spokesmen now admit that the bourses must improve their regulatory machinery. Some even admit that outside controls are needed.

Looking ahead, one can see brighter times. With sanity returning to the share markets

there are signs that "value" side? Who should exercise control? The Federal Govern-

changes. Everything seems

so simple.

What sort of share markets

much of the parochialism from the exchanges. Responsible ex-

change spokesmen now admit

that the bourses must improve

their regulatory machinery.

Oh, for the days when Poseidon shares were filled

share market and strengthen the Western Australia

was thought to be just one great nickel pr-

vince, and much of Australia

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## AUSTRALIA IX

# Local banks battling against overseas competition

By DESMOND KEEGAN

The trading banks have learned to live with their diminished direct roles in the Australian financial world but they have yet to prove they can compete effectively with the doomsday financiers now hanging out shingles.

The banks have diversified a lot because the traditional end of the scene has been frozen into a pre-war lending profile by monetary policies designed to contain inflation and counter balance-of-payments crises. And so far the banks have competed effectively with each other in consumer instalment credit and various other fields around the fringes of conventional banking activities.

But, a recent influx of "merchant" and "venture" banks has brought about 70 new competitors. Road varying strength and reputation to the financial structure. London's dramatic upsurge in effectiveness competition should be a healthy shock to the old trading banks which have not had too much real competition in the past.

For the first time Australian financial houses are being compelled to compete at home with big, wealthy and vastly experienced foreign merchant banks. Unfortunately the banks are entering the fray with the added handicap of huge cheap loans to the rural sector made to comply with politically motivated Government fiat.

Many of the newcomers are linked with the genuine merchant banking houses of London (Hambros Bank, Samuel Montagu and Co., J. Henry Schroder Wagstaff and Co., Lehman Bros., Hill, Samuel and Co., N. M. Rothschild and Sons, Baring Bros. and Co., Cater Ryder and Co., The Chartered Bank, Kleinwort Benson and E. D. Sassoon and Co.). There are many other British houses involved.

Other arrivals bear U.S. names such as Philadelphia National Bank, Crocker Citizens' National Bank, Irving Trust Company, Morgan Guarantee Trust Company, Chase Man-

Bank, Continental Bank and Trust Company, Manufacturers Hanover Trust, Chemical Bank, United California Bank, Wells Fargo Bank, Bankers Trust Company, Marine Midland Bank, Bank of America, First National City Bank.

There are also many other strong financial houses being established by companies in France, Germany, Switzerland, Japan, Holland, Italy, Belgium, Canada and Hong Kong.

The arrival of these world-famous names coincide with Australia's elevation to the top few world raw material sources. And, obviously, exploration, development, processing, shipping and insurance in the raw material world calls for vast capital infusions and generates extensive needs in banking and allied service fields.

## Medium-term loans

Many of the new financial institutions are both capital mobilisers and sources of management skills. These newcomers should find the medium-term loan demand field very easy to contest with the incumbent trading banks. The major trading banks have generally ignored longer-term loans in favour of providing working funds on overdraft facilities.

Many of the newer financial institutions might prefer longer-term loan currencies combined with equity stakes.

They are generally not welcomed by the Australian banking establishment which has extensively advertised the splendid stock of foreign currency. But this is debatable because Australia's foreign exchange is founded on capital inflow. Australia pays its way on merchandise trade but its net invisibles run around \$1,000 million a year in the red. The gap is bridged so far by retained corporate earnings, borrowings and other capital inflow.

So the Australian banks are arguing on slender grounds in suggesting that the country can get along without the additional financing provided by the mining banks can expand in their foreign banks. Until the great

upsurge in mineral exports forecast for the mid-1970s Australia might be on safer ground to accept most available funds.

They say, too, that they have taken a great role in Australian development through the Australian Development Resources Bank which has raised about \$400m. for projects involving loans ranging from \$500,000 to \$60m.

The ADRB is owned by the

trading banks, backed by a couple of state trading banks and the Reserve Bank and operated under a Commonwealth Government Act. It is founded on the need to step around some of the monetary policy restraints and a desire to take a stake in the country's development. It has proved a suitable vehicle to take some stake in the country's development while still enabling the banks to provide a flow of funds to personal and commercial borrowers.

At the base the trading banks feel

that the Federal Government is compounding its economic management problems by letting the fringe bankers expand in areas outside the present control of the monetary authorities. And

the major local trading banks (only the British-owned ANZ Banking Group is foreign) clearly resent overseas affiliated

banks and financiers entering the profitable and uncontrolled

end of Australian fringe finance.

The banks claim (without much proof) that there is little scope for the substitution of additional financing as an alternative to the expansion of

Australian banks because the

country has a sound stock of foreign currency.

But this is debatable because Australia's

foreign exchange is founded on capital inflow.

Australia pays its way on merchandise trade but its net invisibles run around \$1,000 million a year in the red. The gap is bridged so far by retained corporate earnings, borrowings and other capital inflow.

But the real challenge to the major trading banks probably lies in their own bailiwick in conventional banking activities developed a century ago. The Mineral Securities (MINSEC) crash put paid to the casual on-the-nod short-term money

market and sent operators scurrying back to first-class paper. The major trading banks

were sought after with a heavy demand for bank-endorsed com-

mercial bills in the 90-day, 120-

day and 180-day maturity range.

The bank-endorsed bill market

grew to great size in the wake of

MINSEC and some fine money

market operators suggested that

the banks could simply bring the

unofficial money market back in

their control if they so chose.

The banks may not wish to

develop the endorsed bill side

of finance all that much but

somebody will because the com-

mercial bill market is growing and

venture banking scene.

Another area where the banks



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Unfortunately, most of Australia's long-term iron-ore contracts with Japan have been signed in terms of U.S. dollars. To the extent that Australia revalues against the U.S. dollar this will slash export revenue by the extent of the revaluation. However, this will be offset to some extent as the borrowings to finance this development has also been written in terms of U.S. dollars.

Nixon package is likely to have an inflationary impact on the domestic U.S. economy. This will tend to make investment in the U.S. relatively more attractive leaving less funds available for investment abroad as imports become less competitive with domestic products and export markets become more profitable.

As the U.S. provides around half Australia's foreign investment funds there can be expected to be a falling off of funds from this source and from the Euro-dollar market.

However, the net apparent private capital inflow last year was almost twice the amount needed to finance Australia's current account deficit. It would be difficult to imagine a situation where the capital inflow fell away to the point where it was not sufficient to cover the current account deficit.

### Strong reserves

Although there are numerous unknowns in the current currency crisis which have not even begun to be resolved it is difficult to see Australia's international reserves being eroded.

And even if they were at \$23,000m., Australia could more than stand the strain without currencies against the dollar making fundamental policy changes as a result of parity changes in currencies.

The parity changes are likely to have a far larger impact on capital movements. Speculative movements apart, the net result of an appreciation of the major currencies against the dollar making fundamental policy changes affecting the domestic U.S. On balance, the economy.

Joy, is listed

# The Hongkong Bank Group brings Australia nearer to Britain

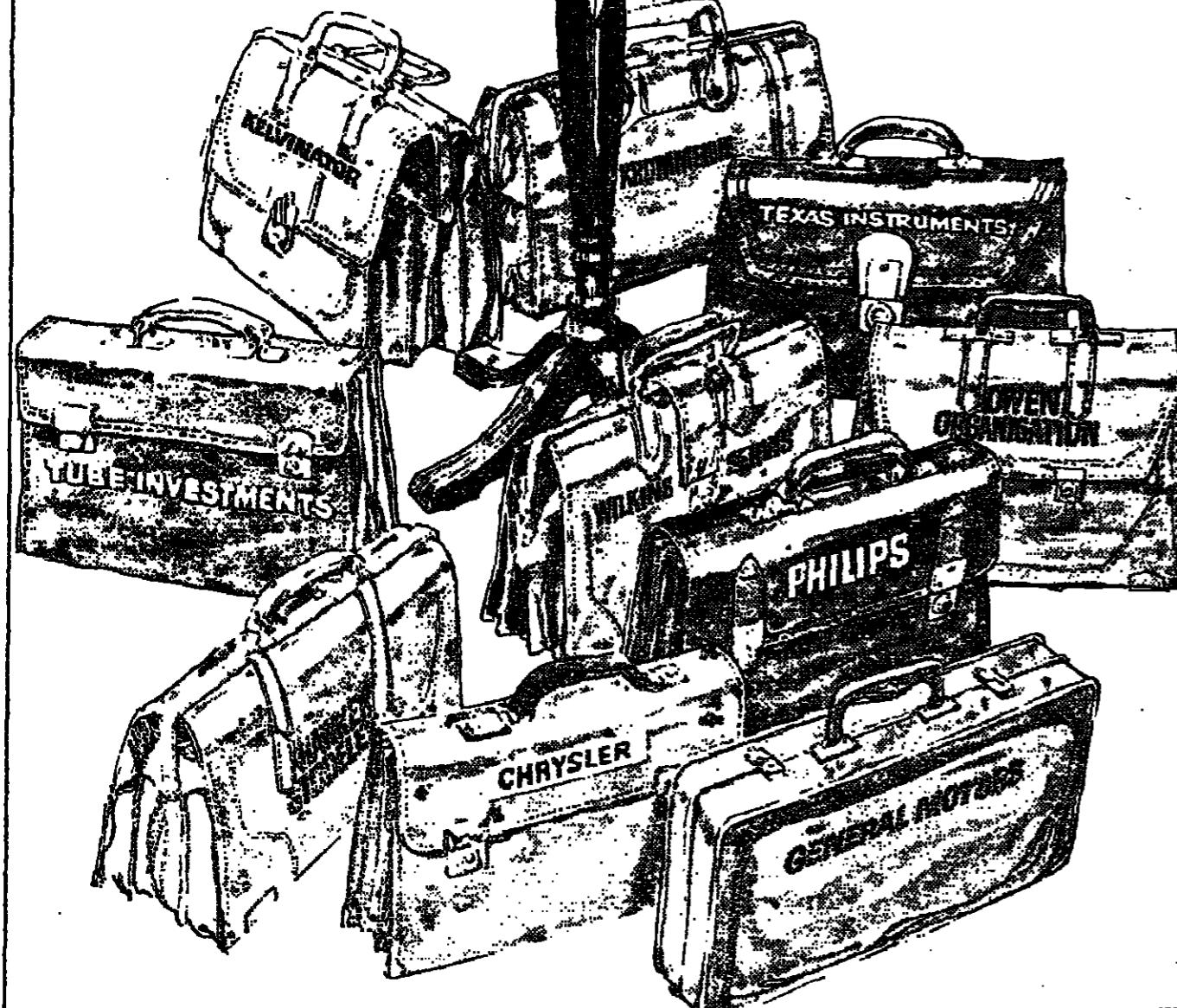
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## AUSTRALIA X

The past decade has seen the emergence of mining as a dominant sector in the economy. Articles on pages X to XIII analyse the fortunes of the major minerals.

## Miners look for new markets

By LESLIE PARKER, Mining Editor

Just a quarry for Japan, that already expanded to just over \$1,000m. by 1969-70 could more than triple by the latter part of the present decade, an official projection that could prove conservative, based as it is on information available up to June, 1970, and on firm contracts and known industry commitments as at January 1 of that year.

The backbone of it all, the iron-ore industry, has been built up in a quite spectacular way. It all stemmed from the lifting of the embargo on exports of iron-ore back in 1960.

This opened the way for huge contracts to be made with Japan's rapidly expanding and raw material hungry steel industry. In turn the Australian Government's decision to lift the embargo was based on the realisation that the iron-ore deposits of the Pilbara district of Western Australia were so vast - some of the largest have yet to be exploited - that they went far beyond the requirements of the domestic iron and steel industry.

Although Japan is by far the major buyer, the export horizon has since been broadened to include Europe despite the long haul involved. Whereas Australia's internal consumption of iron ore more than absorbed local production in the early part of the '60s it is now estimated that, even allowing for

the fact remains that the export income from the minerals industry which had

expansion of the domestic industry, it is unlikely to require more than 20 per cent of iron ore output, which will thus remain very much of an export exercise.

In the circumstances brought about by the recent U.S. moves in defence of the dollar and their possible effect on the Japanese economy the industry will obviously have to keep its fingers crossed. While further growth undoubtedly lies ahead it must, of course, be borne in mind that an export expansion the speed of which has transcended that of any other Australian commodity will in any case have to slow down after the breakneck pace of the past four years.

### Bauxite finds

Following hard on the heels of iron ore in the Australian minerals spectrum has come the rapidly growing aluminium industry. True, it was as long ago as 1955 when aluminium as such was first produced at Bell Bay in Tasmania. But it was not until the '60s that the country became an exporter

based on the huge bauxite finds in the Northern Territory and Queensland and elsewhere.

Thus production of bauxite, the raw material from which reserves could be approaching

are fabricated, soared from a mere 69,435 tons in 1960 to 7,796,000 tons in 1969. Output of alumina in the same period rose from 29,801 to 1,801,000 tons and of aluminium from 11,865 to 124,423 tons. Although there is now a considerable export element in the situation, it should not be overlooked that domestic demand for aluminium products has been growing strongly.

It has been estimated that the production of bauxite by 1977 could top 25m. tons per annum of which around half could be exported, whereas between 8 and 90 per cent of anticipated alumina output may be on the export list. The percentage of aluminium itself might be as low as 30 per cent.

Playing a major part on the alumina side of the industry is the Gladstone plant on the Darling Range areas of northern Queensland, at Gove. The scope for

Continued on next page.

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Playing a major part on the alumina side of the industry is the Gladstone plant on the

## Iron ore industry meets political trouble

By DON LIPSCOMBE, Perth Correspondent

The iron ore industry, after bitterly contested dispute is leader, but is finding that the from the level of contracts having been a story of unfettered success during its first decade, has bogged down during the past six months in a political mire. Mr. Lang Hancock, whose discoveries in 1952 triggered the iron ore boom that has had such profound effects on the national economy, is the key personality in this. And in his desire to graduate from being the man who earns royalties - an estimated \$44m. worth on current finds - to a mine-owner and possible steel producer, he has thrown a spanner into the industry's transition to its second phase.

In its first phase, the Pilbara industry involved mining of direct shipping ore by Goldsworthy, Mt. Newman and, before the end of next year, by the Robe River venture (after a prolonged series of setbacks culminating with the collapse of Mineral Securities, which was to have been the financial key to the Australian end of the operation). Next in line stood Hanwright, the partnership of Mr. Hancock and Mr. Peter Wright. And Mr. Hancock has claimed it should be simply a matter of slipping a piece of carbon paper under old agreements to give Hanwright front-running in the next wave of developments in the industry.

Goldsworthy, first to export from the relatively small Mt. Goldsworthy deposit near Port Hedland, lifts its sights next year with a shift to Shay Gap, where it will be supported, incidentally, by perhaps the most imaginative outback town in Australia, designed more around the needs of the women than of the miners and the mine. Hanmersley has been industry lobbying in its tedious preliminaries, is well advanced in construction. Initial contracts provide for 10.6m. tons throughput a year. Initial design capacity allows for this to be doubled the new Government's early planning. And the Robe River project, which has faced savage lobbying, is well advanced in construction. Initial contracts provide for 10.6m. tons throughput a year. Initial design capacity allows for this to be doubled the new Government's early planning. And this will open up a whole region to the Japanese. While this is going on, the company's 150 miles north of Perth, giving design is being lifted again to some of the smaller iron ore tonnages to the Japanese. While this is going on, the company's 150 miles north of Perth, giving enable the tonnage mined, per tonne, to be trebled.

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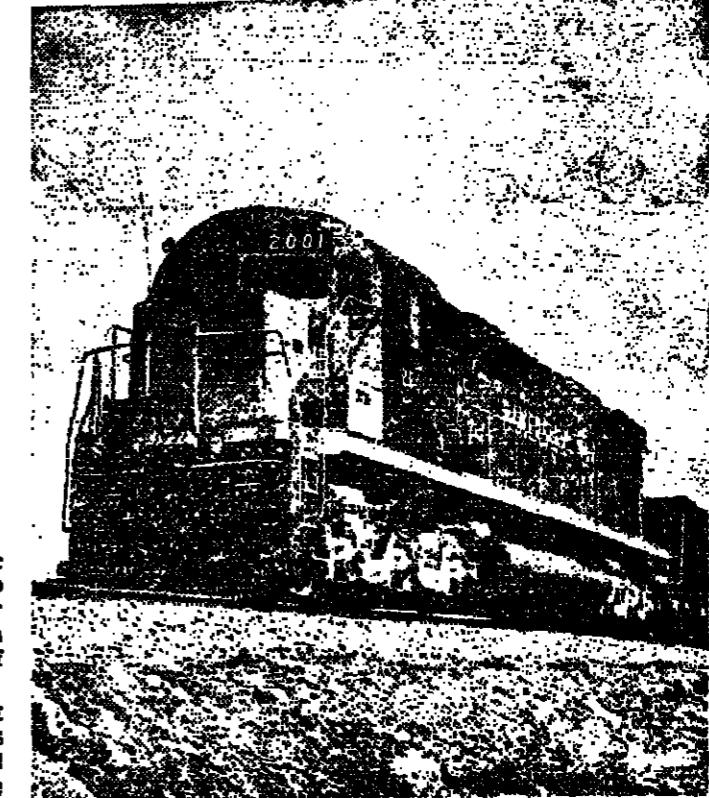
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Hammersley ore train in the Pilbara.

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## AUSTRALIA XI

# Nickel producers get added encouragement

by KENNETH MARSTON

old-timers in Australian that still has a long way to go before the turn of the year. They were mostly interested in gold ss, indeed, are so many other miners striking away with candles up to their hard hats in the dark underground world. Nickel is regarded largely as a nuisance and it was not surprising that in even earlier days its name was linked with "Old Nick," another inhabitant of the dark regions.

As far as Australian mining is concerned, nickel has come of importance only in recent times. But it is here for the lucky finder, and too, for the unlucky "Old Nick" who tends to end more of his time on the nickel exchanges. Western Mining's nickel discovery at Kambalda in Western Australia in 1966 touched off a share-market boom and bust cycle made and lost fortunes, but also unleashed a wave of a company which is presently identified prospecting activity owned as to 83 per cent by

Apart from Kambalda, which is now mining nickel ore at a Poseidon's Mount Windarra rate of around 30,000 tons of "wonder" mine should be contained metal per year, other properties in production are the small, but high-grade Nepean mine of Metals Exploration and Freeport Minerals, and the Scotia property of Great Boulder and North Kalgoorlie.

The country's production is still relatively tiny, amounting to around 8m. lbs of metal a year, much of which is refined overseas, compared with a world total of some 1,000m. lbs.

## Major ventures

These three producing mines are only a start. In October, for instance, Great Boulder and North Kalgoorlie are to begin mining at their Carr Boyd Rocks property. Mid-1972 is to bring the start-up of the Spargoville finance item, although the trio at Windarra which could be another Nickel. Similar work is being done at the Redross and Wannan-

Selection Trust and Consolidated African Selection Trust. Towards the end of next year Hill team.

Metals Exploration which has been so patiently studied by Metals Exploration and Freeport is due to come on stream in 1974.

Or the major exploration ventures which are virtually certain to result in nickel mines,

high hopes are held for the recently announced find at Agnew in Western Australia of the Selection Trust group. Promising, too, is the discovery made in ground adjoining that of Poseidon by the U.S. Union Oil.

Only time will tell what other finds are likely to emerge, but any of the small fry exploration companies—and Poseidon was once one of these—who are successful will have no difficulty in finding a powerful partner.

Shaft-sinking is now being carried out at the prospect here of Broken Hill

Proprietary and International terms which the big brother

Western Australia is shaping

up to become one of the world's nickel producing areas and, unlike the important developments in New Caledonia, it does not have the political uncertainties

Mount Keith area where the senior partners, Freeport and

Metals Exploration, have already outlined a huge 250m. short tons of ore. The grade, however,

runs only at a borderline 0.6 per cent nickel and while viability

and metallurgical studies con-

tinue, it seems that the partners

will want to wait for a higher

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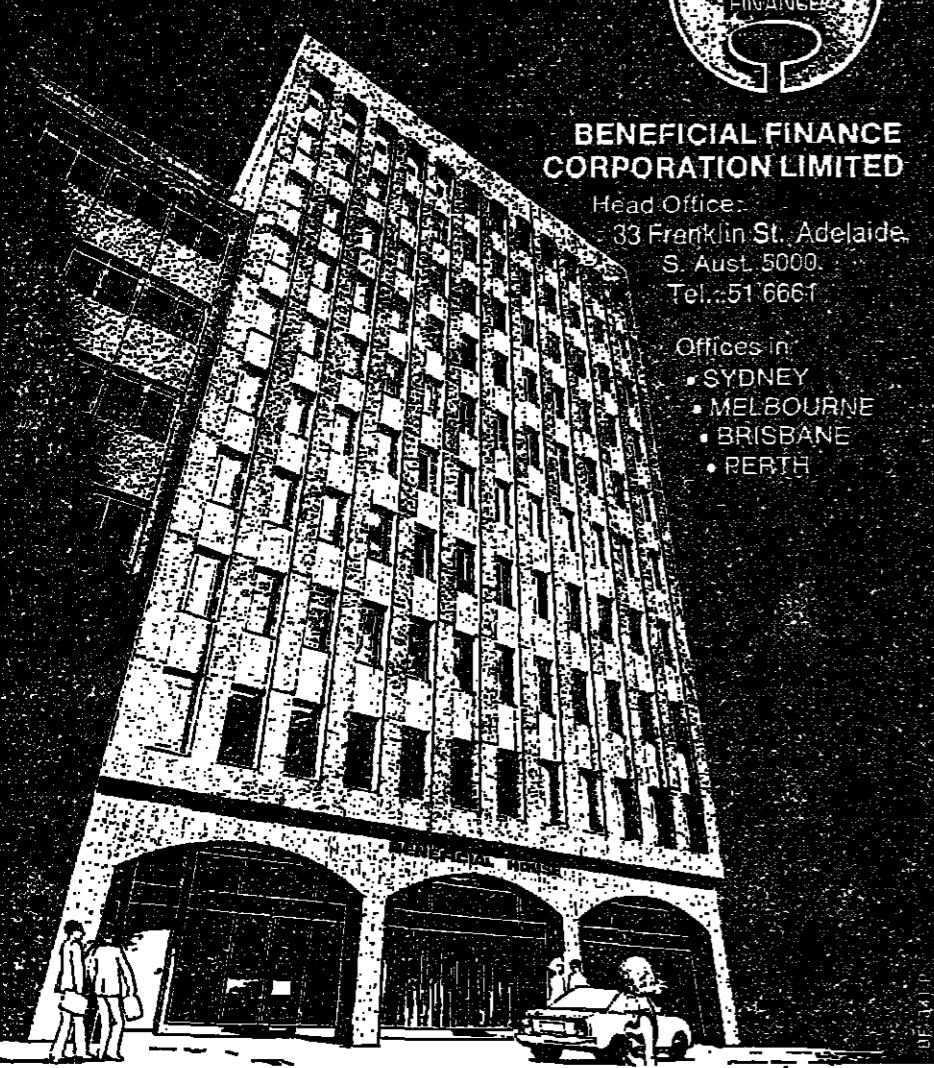
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## AUSTRALIA XII

# Gloomy prospects for bauxite-alumina

By DON LIPSCOMBE

The penny is yet to drop in Australia that the bauxite-alumina end but Australia must seek its own problems at home, apart from the metals end. With any, over the coming year. For the industry is locked into the "great expansion" euphoria, ranked with iron ore and coal as one of Australia's three great mineral resources, looking to open-ended and continuous demand, rather like wheat was. But with the aluminium metal industry's outlook grim and expected to stay gloomy for at least another two years, the coming months are likely to bring a stay or even a backsliding in the sharply rising pattern of bauxite mining and the previously expanding output of alumina.

Australia has one quarter of the assured world bauxite reserves and more than one third of the probable reserves. Underpinned by a world growth rate in aluminium production between 8-9 per cent, this natural resource has moved from a standing start in 1955 to the position in 1966 where Australia had the world's two biggest alumina refineries. Exports of aluminium products and ores are worth nearly \$150m annually. But the sharp rise in aluminium production that set off this growth has turned down; last year output was barely 1.2 per cent above the previous year, with prospects for 1971 probably worse. Aluminium producers looked to Australia as the best place to pour in capital in the 1960s because of the amount of available bauxite, the capital-intensive nature of their industry and attractions for big money in the country's relative political stability. These factors have

Superimposed on other Australian growth postponements, which have touched virtually all key overseas export earners, the industry's undoubted downturn is the kind of short-term problem that Australia would be happier to miss.

New industries are facing Colonial Sugar Refining Co. of its financial jigsaw; at present having 51 per cent stake same time, capital cost in this Australian equity. Yirrkala has the potential to become venture is believed to increased from \$300m. nearer \$400m. Initial capa said to have been aiming 1.2m. tons of alumina annu is now likely to start lower rate.

Of the two main new companies planning to set up bauxite in the Darling Ranges near Perth, the Pacainex plan has run into bitter conservationist and political opposition. This involves CSR with Hamwright, the iron ore prospecting partnership which earlier this month sued the State Government over alleged illegal confiscation of iron ore reserves in the Pilbara. Conservationists say in a document circulated to State parliamentarians that the refinery, sited where it is planned, would present a serious threat to the people, water, vines, and ecology of the region; and there are undocumented hints that vanadium and mercury contamination of the underground water supplies is possible, eventually reaching the Swan River which flows through Perth. A rebound from this style of pseudo-scientific sensationalism will come, but meanwhile it adds to the home-grown troubles of what appeared to be a boundless industry.

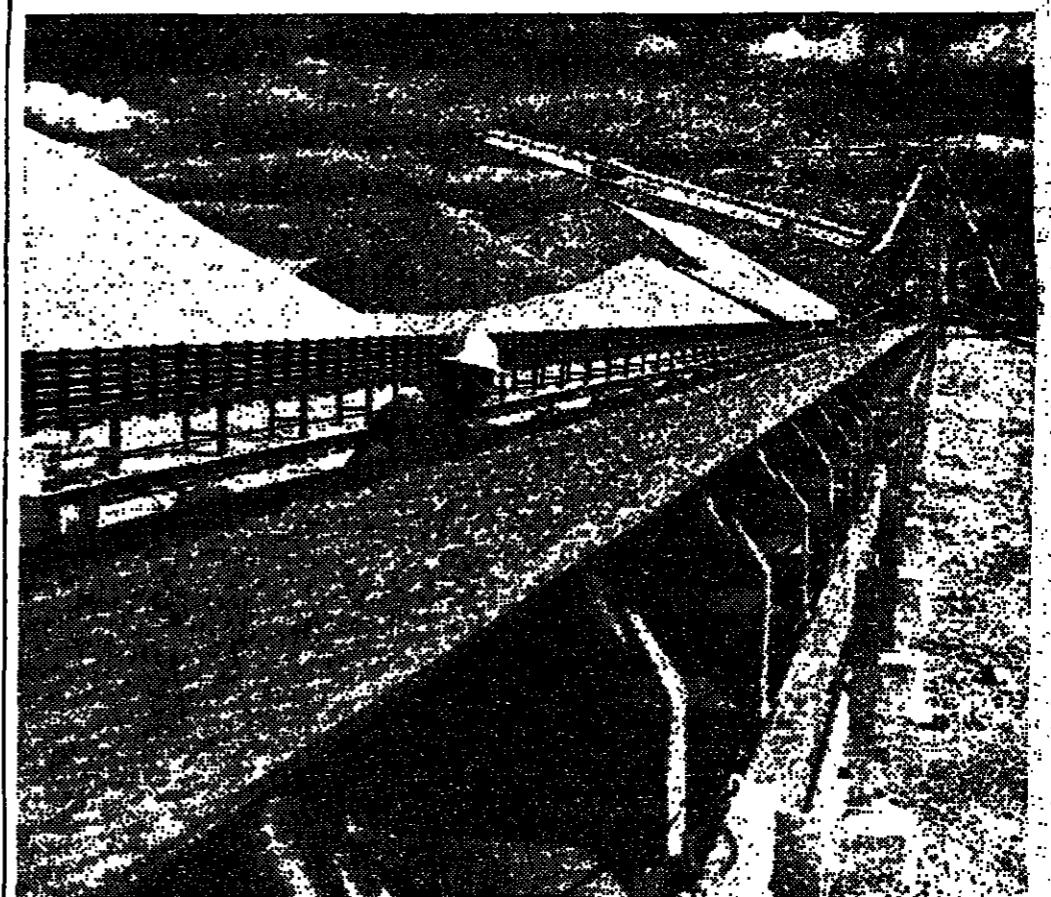
**Long haul**

Bauxite-alumina is also target for an increasingly vocal environmental control lobby. When Alcoa's president and chairman, Mr. John D. Harper, was in Sydney in November, he said in his speech that Alcoa plant has built up from 210,000 tons per year to 1.2m., with the aluminium growth rate for the bauxite rail-freighted 32 miles coming 20 years—which would be from the Darling Range, inland late 1970s if projections about over-supply into 1975 are accurate. Pollution from this refinery has become a bigger problem than most Perth people expected, and Alcoa has started work on a second refinery farther down the coast at Pinjarra, where production is scheduled to start with a two-unit refinery at 413,000 tons annually, building up eventually to be bigger than the Kwinana plant. When "eventually" will be now is anybody's guess.

At the same time, the Gove deposit in the Northern Territory has been the hub of the most important land-rights dispute in the country's history, with a group of Aborigines at Yirrkala, who profess a religious-mythological affiliation with the land, seeking compensation for having their tribal lands taken from them. At Gove, Swiss Aluminium has a 50 per cent interest, with the equity after Anaconda put in rest Australian-owned and the and withdrew the missing piece announced. But unless aluminium metal picture over the coming few years even Comalco may have lower its sights in the mid-1970s.

### Expansion phase

Farther down the coast, Alcoa's Pinjarra refinery is unlikely to move quickly to its next expansion phase, as the Kwinana refinery did. And an Alwest-Broken Hill Pty scheme, based on Bunbury, has been shelved for at least a year again without any formal announcement that the highly publicised plans had been changed. In the far north of Western Australia, an Amax-Gove, Swiss Aluminium has a led consortium is still seeking 70 per cent interest, with the equity after Anaconda put in rest Australian-owned and the and withdrew the missing piece announced. But unless aluminium metal picture over the coming few years even Comalco may have lower its sights in the mid-1970s.



Bauxite being moved by a conveyor belt after having been washed and screened at Weipa.

## Easy times over in coal mining

By RICHARD FARMER

Australia's coal industry, after the expense of U.S. miners but that dust would pollute the air, has begun the 1970s with the prospect of a slower rate of growth in the Japanese steel industry is delaying the opening of three major problems. There has been a slump in demand from Japan, the main export market. Industrial disputes have disrupted deliveries. And pressure from conservationists is delaying the opening of new fields. For an industry grown used to easy times it is all very frustrating.

The state of the Japanese economy has been of prime importance to coal miners since the first export orders were written back in 1960. Japanese demand has accounted for almost all the growth in exports which in 1969-70 totalled 17.3m. tons compared with only 1.1m. tons ten years ago. The Japanese share is around 92 per cent. In 1970-71, coal exports reached 18.5m. tons. The value was \$A192.5m., with Japan again taking the bulk of production (15m. tons).

### Demand cut

This year lower steel production by Japanese mills, combined with a more economic use of furnaces, has cut demand substantially. Luckily for the Australian industry, most of the cutback in imports has been at

### Developments to

While there have thus been problems for the coal industry, there have been developments too. The scrapping of planned nuclear power stations at Jervis Bay will mean an increase in coal for electricity generation in NSW. A footpath has been gained in the ER coal market, both for steam and coking coal. The industry has high hopes that sales Europe for high quality coal will follow, and that dependence on Japan will decline. In the field, exploration continues to prove up-size new deposits, removing the coal dump on the cliff-top. The trade would leave Australia if the conservationists claim the dump short in the future for its cutback in imports has been at

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## AUSTRALIA XIII

# Uranium loses its gloss

By a Correspondent

**H**igh hopes and dashed hopes: the Interior, Mr. Hunt, has sources had reached a figure—has bad them both in the past authorities. The discovery of a major uranium province in the Nabarlek deposits are outside the National Park area. They are on an Aboriginal reserve—field he said he would not like to see the international Press interpreting a statement by one of Queensland Mines' Nabarlek Mines announced they had found 55,000 short tons of militant community. A bright note amid all the gloom has been sounded by the Minister for National Development, Mr. Swartz. He still stands by his statement that substantial quantities of uranium deposits in the Northern Territory are significant as well. "Already in South Australia, some developments indicate from the exploration work that has taken place that

uranium oxide at the incredibly high grade of \$40 lbs per short ton. Other major companies reported sizeable, but less rich, finds in the same area.

It was enough to re-kindle some interest in the Australian stock market and to arouse the thought that Australia would replace Canada and South Africa as the world's major source of fuel for nuclear power stations by the end of the decade.

The disillusion has set in more recently. The estimates of Queensland Mines have proved hopelessly wrong. Instead of 55,000 short tons of U308 at Nabarlek, latest figures indicate that there are 9,000. Instead of 540 pounds a short ton there are 3,200 short tons of uranium oxide at a grade of 16 pounds and 5,760 short tons at a grade of 240 pounds.

A Select Committee of the Senate has heard evidence suggesting that the truth was deliberately withheld from shareholders for several months as the company desperately tried to prove up reserves in other areas to reach the 55,000 short tons figure. The chairman and managing director of the company, Mr. E. R. Hudson, previously one of the most respected men in the Australian mining industry, has had to resign his posts.

It has all been more than enough to take the little remaining gloss off the mining share market.

### Export contracts

The disappointment at Nabarlek is not the only dashed hope about the Australian uranium industry. Perhaps more important, there have been no contracts written for the sale of U308 from any of the newly discovered fields. Mr. Hudson had also been optimistic on this point. He has been silent in the last few months. No substantial export contracts are likely to be signed for many months yet and only small deliveries are likely before 1978 or 1979. The boom in nuclear power station construction has just not taken place as predicted.

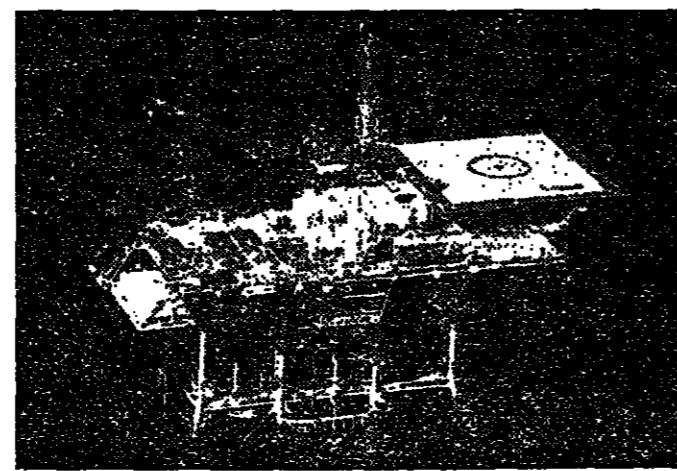
While it is in Japan and the U.S. that the expected demand for Australian uranium will come, some small stimulus was expected from local demand. The Federal Government under

Mr. Gorton appeared committed to building a nuclear power station at Jervis Bay on the New South Wales coast. The plan was shelved by the Government of Mr. McMahon after foundations had been prepared and tenders were on the point of being let. The Jervis Bay station is unlikely to be using much Australian uranium before the end of this decade.

Mining the new fields in Arnhem Land also has its difficulties. The Peko-Wallsend-EZ Industries find at Ranger and the Noranda Australia find at Jim Jim are both in an area designated a National Park two years ago. The area is very attractive and conservationists are already extolling its uniqueness. Mining companies face severe restrictions on their activities but at least they are being allowed to continue prospecting. While he tries to sort out the answer to whether and under what circumstances mining should be allowed in a National Park, the Minister for

## Promising picture for oil and gas

By RICHARD FARMER



Barracouta "A," 10-well production platform. Barracouta was the first Bass Strait field to produce natural gas and oil.

Australia produced 94m barrels of crude oil compared with Santos, the original owner of 30.7m, in 1969-70. Fifty-one per cent of the total input of Australian refineries in 1970-71 came from local sources compared with 15 per cent the previous year. Esso-BHP's Bass Strait field produced 208,900 barrels a day and it will rise to around 280,000 this year. Barrow Island's 45,300 barrels and Moonie's 3,200 barrels made up the balance but there is little scope for production increases.

### Cooper Basin

The big hope for production increases once Bass Strait reaches capacity, is the Tirrawarra field in South Australia's Cooper Basin. A consortium for which Bridge Oil NL is the operator has struck 50 degree gravity oil in two wells in the area and the South Australian Premier, Mr. Dunstan, has been confident enough to predict that further drilling will prove that there is a sizeable oil reserve in the area. Mr. Dunstan is already talking about the possibility of an additional refinery and the development of a petrochemical complex.

More conservative men in the oil industry would prefer to await the results of at least the next three wells in the area. But they concede that results so far are very promising and a field at least the size of Barrow Island is probable. This would provide some compensation for the partners in the venture, Santos, Delhi Oil, and Vangas as well as able positions in three of the Bridge, who have spent about \$100m. on oil and gas exploration.

## Mineral sands reserves

By a Correspondent

The dredges of Australia's a large stake in rutile production moved in NSW and Queensland land a little in the last year have pegged areas of the West Australian coast. At Eneabba, 180 miles north of Perth, major reserves which made Australia the world's dominant supplier of titanium ores were worked out. The costs of mining rose and so did the criticism. A major part of the expenses of beach sand miners is now restoring the coastline they eat up and employing public relations men to tell the conservation-conscious public how well the restoration is done.

The East Coast reserves of rutile, the major ore, are now estimated at only 25 years. The objections to mining on popular surf beaches are such that the estimate may well prove optimistic. Hence the switch in the last year to the West Australian coast, where a sparser population reduces the pressures on miners.

Almost all the companies with

in an effort to receive more for its labours, has established a pilot plant to upgrade ilmenite. Sherbro Minerals Ltd., a company jointly owned by Pittsburgh Plate Glass of the U.S. and British Titan Products. Spot prices for rutile have continued around the \$130 to \$135 a ton level in recent months and some acceptable alternative to the forward business has been written at higher prices. In 1969-70 Australia's rutile exports totalled 341,000 tons produced an export income of \$30.2m.

The new deposits have been found at a time when demand from titanium pigment producers in both the United States and Japan is slackening. The average price for Australian rutile can be expected to go higher. In 1970-71 export U.S.'s supersonic transport aircraft make the future demand and concentrates showed a slight hard to predict. The SST was to have been a large user of titanium metal. Softening the to 1.3m. tons. The value of the general over-supply to \$37m.



## Sugar is still our middle name.

In London, CSR (The Colonial Sugar Refining Company Limited) is known as marketer of all raw sugar from Australia and Fiji.

On behalf of the Australian sugar industry, CSR markets all of Australia's sugar exports (1.79 million tons last year) and also all of Fiji's exports of about 350,000 tons.

About a quarter of the United Kingdom's raw sugar imports come from Australia and Fiji.

Australia's sugar exports come from thirty-four raw sugar mills (twelve owned by farmers co-operatively, seven by CSR and fifteen by other companies).

Altogether, CSR operates eleven sugar mills: four in Queensland, three in N.S.W. and four in Fiji; producing about 900,000 tons of raw sugar a year.

In Australia the cane comes from about 8,500 independent cane farmers. Their farms are comparatively small (average size about ninety acres) but are highly mechanised and efficient units.

Over a 1/2-million people live in the sugar districts of Queensland.

In Fiji there are 15,000 independent farmers. 95% of Fiji's sugar production is exported, and two thirds of Fiji's total export income is derived from sugar.

CSR is the major sugar refiner in Australia (five refineries: one in each mainland state capital city) and is the only sugar refiner in New Zealand.

It is also one of Australia's large commercial and industrial organisations. Its activities include, in addition to sugar, distilling, building materials, industrial chemicals, ready-mixed concrete and quarrying, and mining;

all of these backed by highly developed research laboratories. Its area of operation covers Australia and the South West Pacific.

But sugar is what's important to us. And it is important to Australia and Fiji. That's why sugar is still our middle name.

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## AUSTRALIA XIV

Rural industries are of declining relative importance in the country's economy. On this and the facing page their performance and potential are discussed.

# Bleak picture on the farms

By J. O. CHERRINGTON, Agriculture Correspondent

It is almost impossible to be optimistic about Australian farming, at least in the immediate future. With the exception of beef and veal, almost everything produced is subject to quota; a depressed market or no market at all. Rural indebtedness has doubled over the past decade, and while debt of itself is no bad thing under viable conditions, service of this debt is becoming impossible because gross incomes are too low to meet current interest costs.

The Government is already committed to paying a variety of subsidies amounting to about £150m. to rural industry, and Australian consumers pay more than world market prices for much of what they buy, especially for dairy products. This is of course partly because the Country Party, representing rural areas, is a member of the Coalition, but to say that the subsidy support is entirely political would be wrong.

It is, so farmers contend, no more than the obvious compensation for the tariffs that protect industry, and that of themselves raise farmers' requisite costs. In addition it is a very necessary measure to be an industry which, even at today's depressed prices, is responsible for about half of maintaining a viable system of farming until something turns up, or until the Australian population grows sufficiently to absorb the food export surpluses.

The facts of the wool situation are being dealt with elsewhere, but it is impossible to discuss Australian farming without emphasising the im-

portance of sheep in the general balance of the Australian farm economy. Apart from the specialist sugar and cattle holdings of the North, and the dairying districts, most Australian mixed farms are dependent to a degree on the wool cheque.

### Arid conditions

The typical wheat farm would probably be growing only a fifth or less of its acreage in arable crops. The rest of the land would be being rehabilitated by sheep grazing. Because of the general nature of Australian farming and the arid and hot summer conditions, much of the income from this enterprise would come from the sale of wool. A fat lamb trade on the New Zealand model is out of the question in much of Australia because conditions are simply not suitable for the development of such a system.

The Government has announced a deficiency payment in the budget to bring growers' returns to 36 cents (A) per pound. This was not as much as they hoped for, but such a move would be more than a political bribe. It would recognise that wool is the key factor in maintaining a viable system of farming until something turns up, or until the Australian population grows sufficiently to absorb the food export surpluses.

It is probably true, as some economists have argued, that what is needed is the depopulation of the countryside, with the development of huge farms with

perhaps 10,000 ewes per man, 5,000 acres of wheat and so on. Such proposals completely discount the human and, what is more, the social problems that they imply. Any further depopulation of the farming areas is bound to increase the difficulties of supplying the schools, communications and other services thought necessary to run a modern state. There is already considerable anxiety over the continuing urbanisation of the country. Such schemes would simply accelerate this trend, leaving vast areas of the country unexploited.

There are economists who say that the obvious policy is to pay people to live in these places, which would probably be cheaper than to persist in farming them.

In any case the position is not as bad as it is sometimes painted. There are of course areas of considerable debt and distress, but there are also farmers and graziers who are still farming profitably, or at least keeping solvent. A great deal of the trouble is with those who have entered farming in late years, buying their properties too dear, or whose farms are too small, or on second or third class land.

It is the latter who have been badly hit by first the wheat quota, and then the drop in wool price, which leaves them few opportunities for diversification.

The prospects for wheat do not look very good at present, although, thanks to the poor cereal crops in the U.S. and

Europe last year, exports have just shown an increase over previous years. For this reason farm delivery quotas, the proportion for which farmers will receive the guaranteed price, have been raised from 308m. to 336m. bushels. It is disappointing that the Chinese have not renewed their buying contracts and there is a danger that sales to other countries are likely to be subject to keen competition from North American and European supplies, particularly now that the new International Wheat Agreement does not lay down the prices with the same exactness as did the old one.

Much will depend in future on the success of the Green Revolution in assisting underdeveloped countries, particularly in Asia, to grow their own wheat and rice.

The signs are that they are being successful,

and such success is bound to be good for the Australian farmer.

There has been some diversification in arable cropping into sorghum and barley, but the market for these feed grains is very vulnerable to competition from North American maize and barley, and the Japanese market is very selective and difficult to exploit. The Japanese by all accounts never import anything they cannot grow at home. Rice, of which Japan has a surplus, is just as good a source of carbohydrate as barley or sorghum.

### Domestic market

There is, of course, a growing domestic market in Australia for livestock products, pigs, poultry and intensively fattened cattle, but with a population of only 12m. the potential market is limited. In a perfectly ordered world these high value products would be produced at the source of the raw materials and exported to the great centres of population. But

things do not work out like that and Australian farmers, like the miners, seem destined to provide the raw materials for other people to process into high value finished articles.

A great deal is being made of the prospects for beef sales on a world market which is likely to be short for a considerable period ahead. These prospects require cautious analysis. In spite of the increase in demand and the increased production that it stimulated, beef production is still at 1m. tons, only at much higher prices, in spite

of the levies that may have been imposed on their entry. But this feature of British entry will do little to undo the harm that the adoption of the EEC sugar regulations took in causing Australia is likely to lose the whole of the British quota and also that small portion of the sugar that Britain buys on the free market, a total of about 30 per cent. of present output. This damage might be mitigated by diversification in other crops of cattle.

Recently, however, there have been shipments of chilled beef to this country under the vacuum-packed system. Undoubtedly, there would be room for a considerable development of this trade and also of portions of the problem here is climatic. Undoubtedly, farmers would like to produce more beef, but in a country of very low rainfall and very high evaporation rates, breeding and fattening beef cattle is far from easy. In the coastal and irrigation areas there could be considerable development of intensive beef farming, but it is doubtful if this alone could rescue the rural community from its present depression.

The development of a sheep meat industry as opposed to one based on wool faces similar difficulties as does beef. The sheep in the drier areas are suited to those regions, and are of wool growing types. It is doubtful if the heavier meat breeds, which have coarser wool, would be able to thrive in their place. There would also be a need for long years of market research and development to catch up with the New Zealanders in a market which is in any case limited by the refusal of all nations but the British to eat any quantity of lamb.

Paradoxically the dairy industry which has been regarded as particularly vulnerable may well have a more hopeful future. It is at present being almost written off in view of the probable loss of the British market on Common Market entry. The indications are that the world surpluses of dairy products which have been a phenomenon of the 1960s are likely to disappear. These prospects appear to require cautious analysis. In spite of the increase in demand and the increased production that it stimulated, beef production is still at 1m. tons, only at much higher prices, in spite

of the impenetrable conditions in Arctic conditions, the outlook is not too hopeful. However, events have a habit of confounding prophets of both doom and success, so in the light of the output of Australia and New Zealand will probably be needed in an enlarged community and day turn up.

## Wool under pressure

By RONALD ANDERSON

He is 60 years of age, this woolgrower. He has a diseased kidney and he is attempting to run 4,000 sheep on his own. His season which ended in July financial position is hopeless. His property is valued at and the national wool cheque \$98,000, has a debt burden of was the smallest for 21 years, \$55,000 and has been on the even though Australia has more market for some months at sheep than ever before in its \$60,000. There have been no history. takers.

At the end of 1969 this man expected his wool cheque to be \$15,000, the same as in the previous year. The cheque came to \$8,000 and was withheld by his stock firm, which then refused him further carry-on loans.

This man now has been without a cash income for nine months and is dependent upon food supplies from local storekeepers and what his 17-year-old daughter brings home from a clerk's job in town. His doctor feels the man is medically eligible for an invalid pension, but he is disqualified by the value of property owned, although it is unsaleable and of no real value at the moment.

Apart from his medical problem, there is nothing particularly unusual about this woolgrower. Up to 20,000 Australian woolgrowers are in as bad an income or debt position. All these men are regarded officially as being so far into the red that they have little or no chance of recovery, whatever happens.

Not since the Depression years of the 1930s has the once-proud woolgrowing industry sagged under such a burden, comprised of massive debts, unsaleable properties, rising costs, mague and even negative farm

incomes and disastrously low zone (more than half the statistics). If the available official information is studied in a rational manner, it would appear that half Australia's 100,000 woolgrowers do not yet have serious malaise.

But there is no doubt about the dramatic nature of the crisis they have helped build. Declining farm incomes have served to increase the burden of debts assumed during brighter times. The wool industry's net farm income is estimated officially to have fallen from \$770m. in 1966-67 to \$450m. in 1969-70 and about \$280-\$300m. in 1970-71.

With the industry's estimated debt to institutional lenders alone up from \$980m. in 1966-67 to \$1,200m. in 1970-71, the debt position has moved from a situation in which debt represented one and a third times net farm income to a situation in which debt now accounts for more than four times net farm income.

To-day, in fact, every sheep in Australia carries, on average, a debt to institutional lenders of about \$6—a vast sum when the wool on the sheep's back is worth, on average, less than half this amount and sheep are changing hands for as little as a nominal 1 cent a head.

But it would be foolish to overestimate the scope and severity of the present wool crisis. Even in a land in which farmers are renowned for their flexibility and resilience, there

they are grasping at straws... industry's salvation—if it is to be saved—lies in reducing cost rather than raising prices. Armed with a team of bright young back-room men at the Wool Board, he is hard at work.

In this month's budget, wool growers were given a subsidy designed to bring average receipts to 36 cents a pound compared with an average 29.3¢ a pound for the 1970-71 season. Subsidy policies are rationalised by claims that wool prices are expected to recover to a 40 cents a pound trend during the 1970s, give or take 10 per cent. There is no firm evidence to suggest any marked recovery from these price levels and it could be that 30 cents will be the future trend line, rather than 40 cents. If this should prove so, any wool support schemes based on the assumption of a price recovery must fail or must become permanent subsidies.

Sir William would have easier task had he enlightened leaders to back him. Unfortunately neither the nor politics are on Sir William's side. The wool industry has historically been painfully slow to move. It has managed to shake off some of its conservatism in the last few years, but has substituted emotion for apathy and Sir William is going to have to use all his famous persuasion powers to push through his plans before the industry is weak to benefit.

Fortunately, however, there are industry leaders—including Australian Wool Board chairman Sir William Gunn—who recognise the nation now has too many woolgrowers and that the wool industry of the future must be based upon larger properties, fewer growers, larger flocks, reduced costs and the outturn of a product tailored to the needs of wool's customers.

Although forced to go along with the so-called "temporary" support measures differently structured industry can foresee... but it will be finished. There will be a vital Australian woolgrowing industry for as long as any customer.

How quickly, and how painlessly, the change comes about will depend largely on a few farsighted men like Sir William Gunn.

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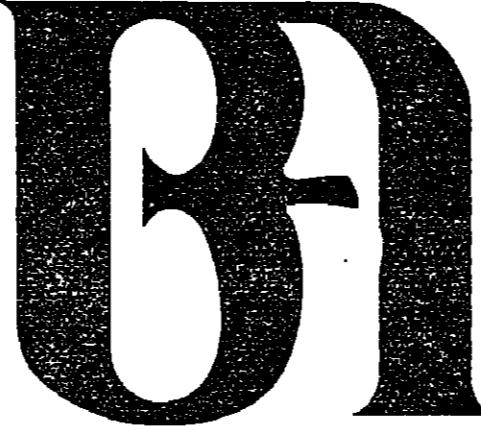


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## AUSTRALIA XV

## Meat is enjoying a boom

By GODFREY BROWN

Meat—and beef in particular—is the bright spot in the Australian farm scene which from its markets by a protective wall built by the importing countries, many of which are meat producers themselves.

The meat industry in Australia, the eighth biggest meat producer in the world, is experiencing boom times, with output rising in volume and value, at a time when the country's agricultural sector as a whole is tending to contract.

Meat has already replaced wool as the country's most valuable rural product, and now beef alone has usurped the position formerly held by wool, thanks largely to a world beef shortage which has made the commodity a seller's market rewarded by high prices.

As one of the world's top two beef and mutton exporters, Australia has been able to take advantage of the substantial production drop and increase in domestic consumption of its main competitor, Argentina, which has reduced that country's export potential.

In Australia, by contrast, cattle numbers are at record levels, and still rising, while beef exports are earning record prices in its major market, the U.S., where the Australian product is particularly suited to the hamburger and manufacturing trade.

In a world that is hungry for beef, Australia is also opening up new markets, stimulated by special diversification schemes to lessen dependence on the U.S. market. The Soviet Union is one of the most notable of the new markets, taking some 6,000 tons of meat, of which 5,000 tons is beef and the balance mutton.

Romania is another buyer, and there are sales prospects in the Eastern bloc as a whole, where the lack of hard currency is believed to be the only obstacle to ordering the meat that is undoubtedly needed there. A small, selective but lucrative market is also opening in Sweden.

Australian meat goes to a whole host of countries throughout the world in Europe, North America, the Middle and Far East, and the Pacific, though it still depends heavily on the U.S., Canada, U.K. and Japan.

But while the overall situation is currently favourable, the future is not without one or two dark clouds. The biggest of these is without doubt the question of protection for the U.K. market.

## External tariff

So far the continued high level of beef prices in the U.K. has meant the levy on beef has not been paid (it is designed to prevent the market being depressed by low-priced imports).

But the levy on lamb is payable whatever the market price. Should Britain join the EEC, Australian meat exports to Britain will be faced with the EEC common external tariff of 20 per cent, plus a variable import levy.

The size of the levy will not be known in advance, making trading difficult if not impossible when the meat has to be shipped halfway round the world.

Australians have long concluded that other markets will have to be developed to counter the possible loss or curtailment of their trade to the U.K.

The principal effect of Britain joining the EEC will probably be on Australia's lamb export business, and Australian trade



Shorthorn cattle at the Exmoor Downs property in South Australia.

officials privately wonder how long they can continue happily supplying lamb to Britain as an EEC member.

The difficulty with lamb is that the U.K. is the only world market of any consequence left after the EEC barriers will be much higher than at present.

The significance of Britain to Australia is that it is Australia's second most important market for beef, the most important outlet for lamb, offals and canned meat, and a growing market for mutton.

Since the beginning of July, the U.K. has operated a levy system on imports of beef, mutton and lamb, as part of a change in its method of farm support to bring it more in line with the EEC system.

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## Fruit faces hard times

By JOHN EDWARDS

The Australian fruit industry is in a difficult time if Britain decides to join the European Common Market. Although Australian producers of fruit, canned fruit and dried fruit do not export to the Common Market, a bulk of their output has traditionally gone to Britain, led by a Commonwealth preferential treatment that has helped protect them from rival suppliers.

Lost in the tough negotiations in Brussels has been any form of protection for fruit growers, both in Italy and Australia. The biggest export item in terms of value is canned fruit, both Australia and South Africa virtually sharing the market, shutting out supplies from elsewhere. A preference of 12½ per cent duty helped build up Australia's canned fruit sales in Britain, some 65 per cent of the total exports worth £15m. A year ago the picture could be very different with U.K. entry into the EEC. While Australian fruit does not find its way into the EEC, the Common Market countries banned apricots to Germany, a strong line—it has to pay an external tariff of 25 per cent. In addition proposals by the EEC for high minimum export prices on canned fruit make it a luxury priced item until domestic supplies are sufficiently to meet demands.

It is the British who are big buyers of canned fruit, and inclusion of the U.K. in the Common Market with the loss of preference involved, would leave the market wide open for competition from other suppliers—California from the outside, and more dangerously the U.S. from within the Community.

With the canned fruit industry in Australia already in trouble as a result of the devaluation of sterling in 1967 to capitalise on a high price, making it difficult to charge an export price, market starved of supplies.



Apricots being classed at the New South Wales cannery of Leeton Co-operative Canners.

However, the improvements in modern storing techniques of apples, and pears, means that the "summer" season is being squeezed shorter and shorter, especially in view of the huge surpluses of fruit that the Italians and French fruit growers need to dispose of every year. Obviously, they will do their utmost to squeeze Australia totally out of the market, aided by import duties that vary according to the time of the year.

An equally severe threat to exports of Australian fruit, applied to any market, is the steep increase in the costs of shipping and packaging. The shipping lines are taking an increasingly tough attitude to charging "realistic" prices—that is, very much higher than present levels—and port charges in Britain are also rising at an alarming rate.

At the same time the somewhat disorganized marketing of Australian apples by independent growers and importers, in contrast to the marketing boards selling South African and New Zealand fruit, means that on occasions Australian apples arrive at a time when the market is over-supplied or, as happened with pears this season, forward sales by growers at low prices failed to meet the market starved of supplies.

This will be quite the reverse process.

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## AVERAGE ANNUAL GROWTH RATES: 1965-70

	W.A.	Aust.
Population	3.5%	1.9%
Average male weekly income	8.6%	6.5%
Employment	6.6%	3.7%
Building	22.9%	10.3%
Retail sales	10.1%	6.3%
Motor vehicle registrations	10.0%	4.2%
Overseas exports	22.0%	9.3%

For information and literature contact the Department of Industrial Development and Decentralisation, 32 St. George's Terrace, Perth, Western Australia. Postcode 6000.

## AUSTRALIA XVI

# Militant unions win new strength

By MICHAEL SOUTHERN

It is widely acknowledged that 1970 was a bad year for industrial unrest in Australia. In that year there were 2,738 disputes involving 1.3m. workers, 3.3m. lost working days and an estimated \$A30m. in lost wages. On current performance, 1971 will be even worse. For the month of May alone, preliminary statistics show a loss of 646 working days and a wages loss of \$A10m.

The first five months of this year have produced a loss of 1,207 working days, against 979 in the previous year.

The total wage loss is \$A17.9m. against \$A12.1m. in 1970.

What it has cost the country in lost production is another matter and no answer has yet been volunteered.

Developments so far this year have confirmed that the militancy of 1970 is not to be easily dissipated. They have also shown a new direction in strike action.

Strikes are no longer reserved for bread-and-butter matters like wage claims and conditions. The Australian unionist has, under the guidance of the new leader, Mr. R. J. Hawke, president of the Australian Council of Trade Unions (ACTU), developed a social conscience.

### Price Maintenance

It was union action rather than government direction which brought about an end to resale price maintenance. It happened because the ACTU itself had moved into the retailing business with a discount store in Melbourne, and Dunlop refused to supply unless RPM was observed on certain items.

Full employment has produced many pressures on the labour market. Australia has for many years been faced with a shortage of skilled tradesmen, placed on the company, Dunlop capitulated and shortly afterwards, the Federal Government legislated against RPM. It is now outlawed.

It was union action too which made life uncomfortable for the South African Springboks on their tour. They could not travel in normal air services but had to cover long distances in charter planes and go without many normal services. The expression of union objection to apartheid was also seen with action against South African ships in Australian ports.

But even with this expression of the new found conscience it was essentially economic matters which dominated the cause of industrial unrest last year and this. The unions are in a strong position, and know it. It is only in recent weeks that there has been a downturn in demand for labour, but it is slight and has not upset the basic fact that the Commonwealth Government's policy of full employment has brought about the imbalance between demand for labour and supply.

The ACTU and its affiliated unions are continuing their campaigns for collective bargaining outside the framework of the arbitration system and it is this fact, coupled with the competitive militancy of union leaders which is to be seen as the root cause of current unrest. Then again recent months have seen a new and disturbing trend in some industries, notably the motor industry, of shop stewards based on the English pattern setting themselves up and creating serious strikes independent of their unions. As yet, no one has found a cure for this problem, widely known as the "English disease."

Full employment has produced many pressures on the labour market. Australia has for many years been faced with a shortage of skilled tradesmen, placed on the company, Dunlop capitulated and shortly afterwards, the Federal Government legislated against RPM. It is now outlawed.

try, there has been a recession which is temporary in its nature but discouraging to any other industry considering becoming capital intensive. The other side of the picture is that Australia is lagging in its programme for training specialists and tradesmen, preferring to rely on its immigration programme to produce the instant work unit. As policies go even this is felt to have backfired, for immigration is now under criticism from economists and ecologists.

### Whip hand

The government's continuance of a full employment policy has, then, been a mixed blessing, giving the whip hand to the unions as friction between employers and employees grow rather than diminish.

The Australian trade unions have existed since the start of the century against the background of compulsory arbitration. There was a limited system of collective bargaining but the major determinations of basic pay, hours worked, standards of working conditions and leave of the Arbitration Commission. Now, the unions are placing more and more emphasis on collective bargaining in spite of a lack of expertise, or even a basic set of rules to work from. Employers constantly complain that unions come back quickly for more once some sort of settlement has been reached rather than give a trouble-free contract for a fixed period of two or three years.

It is arguable that collective bargaining can exist with the arbitration system. Late last year, the arbitration court gave a 6 per cent. wage increase. For some workers, this was the change the course of events and not caught on, and in the chemicals industry which did already established with collec-

tive bargaining, or since argued employers themselves, only to willing to capitulate in many cases, are being caught in the vicious circle of rising labor costs.

But there have been various instances of collective bargaining situations being resolved by arbitration—in some cases the initiative of the arbitral courts. This implies that perhaps there is room for both.

One major issue still unresolved is that of the pen clauses and fines resulting from this. Included in the Arbitrator's Act was a set of sanctions providing penalties for breaches awards by unions or employer

Unions, determined to press their right to strike, found the penalties were a heavy burden, with fines of up to \$1,000 a day possible. It was in 1968 that the challenges to the clauses came, resulting in the gaoling of union officials and a long-standing argument over the payment of substantial fines that has led to showdown with the Government that have been dramatic to say the least but are still unresolved.

Under the leadership of M. Hawke, the unions have found a new life and a new purpose. There have been amalgamation such as that between the engineers, the boilermakers and blacksmiths and others into powerful Amalgamated Metal Workers Union, resulting in power blocks with a drive to be as influential as the Government and the economy as large corporations. The political ambitions of the unions are not fully clear. While there is little doubt that they would prefer a Labour Government the unions have learned in recent times that the real power in Australia does not rest in Canberra, and that one can change the course of events and not catch on, and in the was a bonus on top of rates a power base outside Government which did already established with collec-

## Livelier Press loses its optimism

By a Correspondent

All the optimism of the guess difficult, but ten per cent. newspaper industry that we saw off would be close. The Sunday earlier this year is gone. Where Australian figures are also kept proprietors once talked of rising a great secret. On publication, circulation and extra staff, it topped all hopes by selling and recent economic downturn in more than 400,000. Mr. Murdoch Australia has left in its wake doch considered 200,000 a viable reduced circulations, economy figure and one understands that measures of the usual kind it has now settled close to that (mostly sackings) and fierce competition among the major papers for both readers and advertising.

It could be that there have been too many new papers too soon; the start of the year saw the National Times start in the Fairfax stable, and the Sunday Australian from the Murdoch stable. Meanwhile, Mr. Gordon Barton closed down his Sunday Observer in Melbourne, and the paper's cause was taken up by the young newspaper empire being founded by Mr. Maxwell Newton (who, like the others, has had his own problems and has seen several of his publications disappear). It is not that people are finding television more satisfying—indeed, Australian commercial television still ranks as the most dull, unimaginative stuff on screen.

Part of the circulation drop has come as a reaction to higher newspaper prices, coupled with the fact that there were suddenly more papers to buy. The slowdown on the stock exchanges, the end of the mining boom and the tightening in the liquidity situation have been major factors in the circulation and advertising drop-off. But it is basically regarded as a temporary aberration. What is worrying is that the recovery period is taking longer than most hoped for.

lively particularly in the vision people have been making political field where the Government was hardly being challenged by the Opposition, and advent of colour television (if so the newspapers took on this reluctant Government and the opposition role). The group of reluctant stations Australian in particular was owners ever do allow it) will be strong here, so was the Melbourne Age, both papers demanding the resignation of Prime Minister Mr. John Gorton; both taking firm stands in the Springbok's tour. The new Prime Minister finds little comfort in either.

### Australian content

But just as the papers are lively and getting more so, Commercial television is bad and getting worse. At present, it is an industry in turmoil over arguments about the Australian content of the programmes (the station owners prefer to simply show films as the main programme each night). The difficulty lies in the fact that Australian programmes are not very good and mostly about cops and robbers or kangaroos.

The Australian Broadcasting Commission, for its part, is a pale imitation of the BBC. Its political coverage is governed by a rule that both sides must be represented: so when the particular, the Fairfax group opposite view to any question is not available, then that question is not discussed at all. But it does offer the only real news and current affairs coverage on television to-day: it has produced a few local programmes of international standard but really thrives as the outlet for what makes good television programmes questioned by the British operators, the Packer's Consolidated Press control a great deal of the media both directly and through their shareholdings in other companies. And, unlike the British operators, the licences are not up for periodic review nor are their ideas of ownership has once again been raised. This is a difficult problem. The bulk of Australian communications is tied up in three major empires—Fairfax, Packer and Murdoch. 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## AUSTRALIA XVII

On this and the following page, aspects of the country's secondary industry sector are discussed. The article immediately below considers the effects of tariff changes.

# Radical new thinking on protectionism

By DESMOND KEEGAN

Secondary industry has long Australian companies have total labour force (nearly 6m.) distorted resource use in Australia, brokers convincingly into world. Since the inflation is mainly but planned tariff reviews are turning cost-push erosion employers will be loath to easily grant to the export market.

The rays of light emerging wage increases unrelated to productivity. Local and import scene derive partly from Government agencies and to a greater extent from soundly-based competition will prevent employers passing on wage rises as they have done with impunity for generations (the 1960 credit squeeze era excepted).

The Federal Government (with elements of the Country Party opposing) has fired the first shots in a campaign to soften the community up for the proposed industrial tariff changes. On August 9 the especially) away from the industries unsuited to the Australian economy.

**Early 1930's** At the slow growth rate tests on a jumble of protected industries and preferences prizing from the depths of boom in the early 1930s, Australia attained a superficially fair growth rate on world standards in the post-war years but closer examination shows massive immigration and price inflation took the edge off real per capita growth.

Now, perhaps for the first time in a generation, Australia faces a strong period of growth based on efforts to restructure its economy and on secondary industries drawing on the country's vast raw material wealth. The restructuring by mining protection in sectors with little justification will be assisted by a strong foreign reserve position. The old argument that marginally efficient industry saves foreign exchange as a lot of its validity in itself which has enough gold in foreign currency to pay for more than six months of imports. Some Australian economists are also questioning the size of handouts given to rural workers which have been past twards on the foreign exchange scene.

This has a profound implication for the future because manufacturing industry absorbs about 1.5m. of the nation's

total labour force (nearly 6m.). Since the inflation is mainly cost-push erosion employers will be loath to easily grant to the export market.

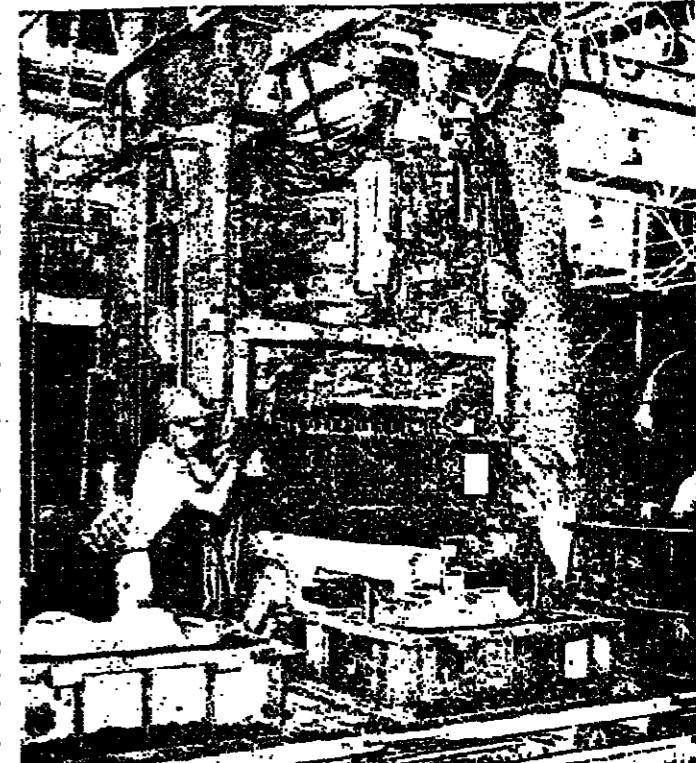
Australian raw materials will increase between 10 and 15 per cent. a year. Since a lot of this

material will be highly processed, Australia will scarcely be able to waste its capital on industries like textiles, shoes, white goods and other products which can be brought in at a fraction of the cost of Australian produced goods.

It is also argued that the "investment allowances" dropped by the Government in the 1970 budget should be reintroduced. But, the reasoning goes, only those industries which can live on unprotected world markets should attract this allowance.

## Trade surplus

There is no real fear that Australia will suffer by running a trade surplus with Japan. The Japanese have highly favourable trade balance with many countries (up to the time of the yen being allowed to float)—particularly the U.S.—and it accepts the Australian trade balance as natural and an economic fact of life. Australia can hope to reap about a three-to-one benefit by upgrading its straight raw material shipments to processing. This has a large potentially favourable balance of payments implication.



Engine moulds on the production line at Chrysler Australia's plant at Lonsdale, South Australia.

# The motor industry and Japan

By MICHAEL SOUTHERN

There never were quite so cent. of the market in June with some success and as Volks-wagen did, and changed a loss age which some manufacturers production and earned around itself. The new model's appeal was still to be gauged, and the situation from manufacturing say is higher than the Japanese \$9.5m.

The Americans are preparing

many new models on the market at once. A new Chrysler range (with another range to 35 per cent. figure is slightly here into a smaller but profit-equivalent. And the companies

Holdens, Ford's new Cortina, effects of a run-out campaign for

and only assembling here. The aware of the export potential of

GM each have Japanese affiliates

this country where, so far,

industrial problems have not been anything like on the scale of British or costs rising as fast as in the U.S.

In the last financial year, These deals could have impor-

tant ramifications for both Aus-

tralia and England particularly

if, as has been suggested, some

parts added a further \$4.3m. to the total. In all, cars, parts, trucks, ambulances, fire engines

and other road vehicles were worth \$111.7m.

Just how important this present stem from an assembly

market is to local manufac-

turers is indicated in the new Holden range. The top end of

the range is simply marked as

to export, mostly to New

Zealand, South Africa, the

Pacific Basin, the Asian coun-

tries and the West Indies. More

recently markets for Australian

cars have begun to open in

Europe and Britain. Ford of

Australia has a chain of 30

dealers in Britain for its bigger

cars: Chrysler has been export-

ing Valiants, and selling them

at prices which make Jaguars

look inexpensive.

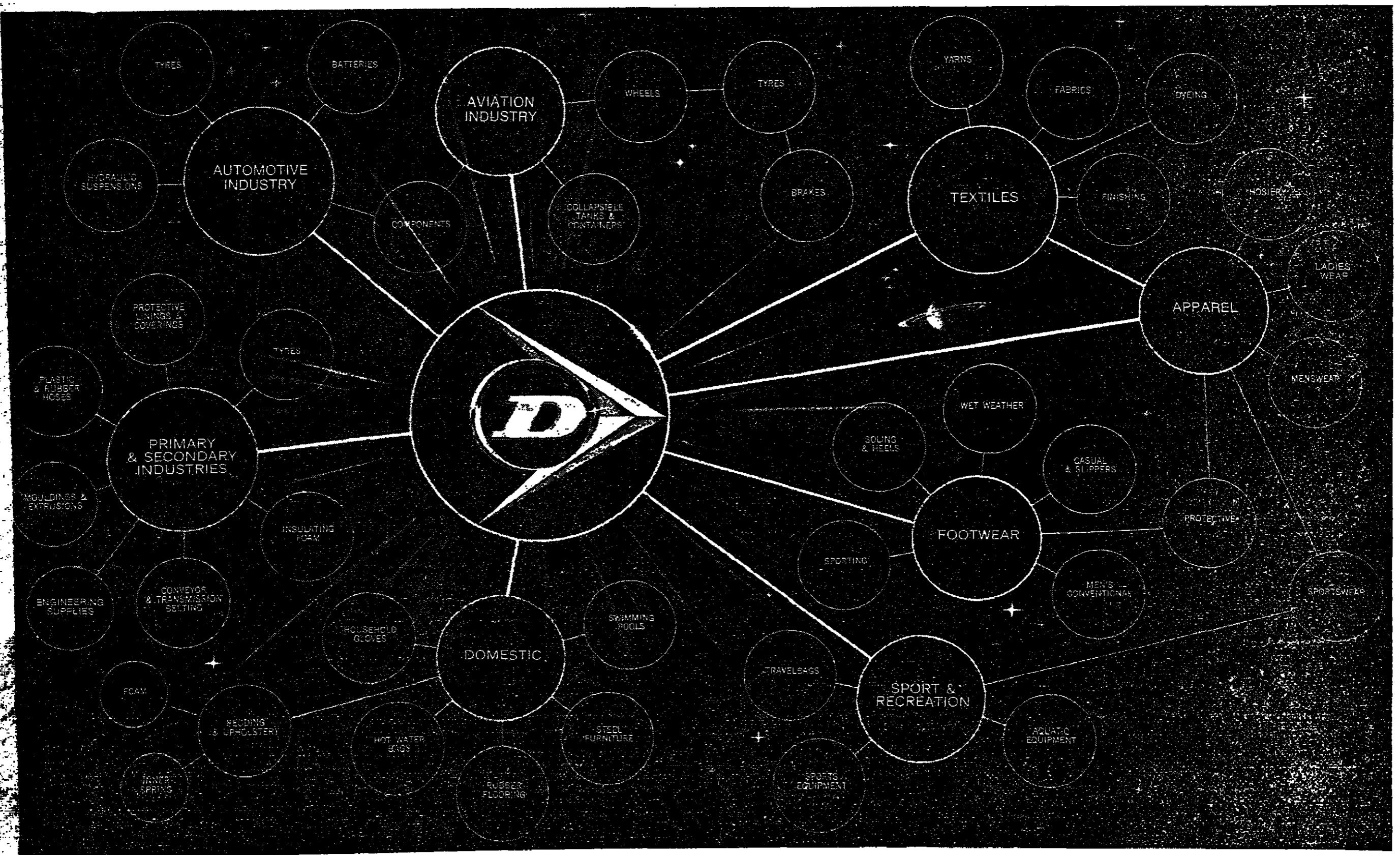
In the last year, around 12

per cent. of locally made cars

share their designs of axles and

gear-boxes.

# THE GALAXY THAT IS DUNLOP AUSTRALIA LIMITED



	1966	1970
Issued Capital	\$ 41,201,102	\$ 70,815,060
Shareholders' Funds	\$ 71,915,462	\$ 101,630,680
Gross Assets	\$ 105,545,358	\$ 237,545,446
Total Sales	\$ 197,521,398	\$ 327,014,434
Net Profit After Tax	\$ 3,502,898	\$ 12,328,435
Dividend Rate	8%	11%
Number of Shareholders	11,000	41,600
Number of Employees	11,830	25,500

AUSTRALIA  
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A MEMBER OF THE R.T.Z. GROUP

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## Pillar Naco of Australia is alive, well, and independent in over 100 countries

Pillar Naco is one of the world's leaders in manufacturing and marketing of building products of steel, timber, plastic and aluminium. Since we advertised in this Supplement last year, Pillar Naco Industries (part of the R.T.Z. Pillar Group) has strengthened its product range, embarked on interesting new ventures, and opened up still further new export markets. It has also recruited some important new faces into its management team. Among the new faces:



**Robert Smith**  
Birmingham to Jamaica (London School of Economics—formerly with a leading aluminum tube manufacturer). Joined our world-wide executive team in May and, following training in the U.K. and Italy has taken up a position as Managing Director designate of the Group's operations in the West Indies.



**Mark Thorpe**  
London to Sydney (Cambridge University). Formerly with an international management consulting group. Joined our world-wide executive team in October 1970. Before taking up the position of Financial Controller of the Overseas Division in Sydney he was trained in Italy and Africa.



**Howard Boyce**  
Capetown to Singapore (Sydney Technical College). Formerly with International Chartered Accountants. Joined our world-wide executive team in May and, following familiarisation at various Australian plants, he has taken up the position of Financial Controller of one of the Group's operations in South East Asia.



**David Jones**  
Swansea to Sydney (Sydney Technical College). Formerly with International Chartered Accountants. Joined our world-wide executive team in October 1970. Before taking up the position of Managing Director of the Overseas Division in Sydney he was trained in Italy and Africa.

We welcome inquiries from well-qualified, experienced executives particularly in the export sales field. Pillar Naco Industries Limited, Goldfields House, Alfred St., Sydney N.S.W. 2000.

## John Lysaght talks about the shape of things to come

Sheet steel is our business and has been for fifty years. In each of the last two decades our sheet output has doubled to just over one million tons

Australia's entire production of sheet steel. Today we produce a range of quality sheet steel to meet just about every production and manufacturing need for local and export use.

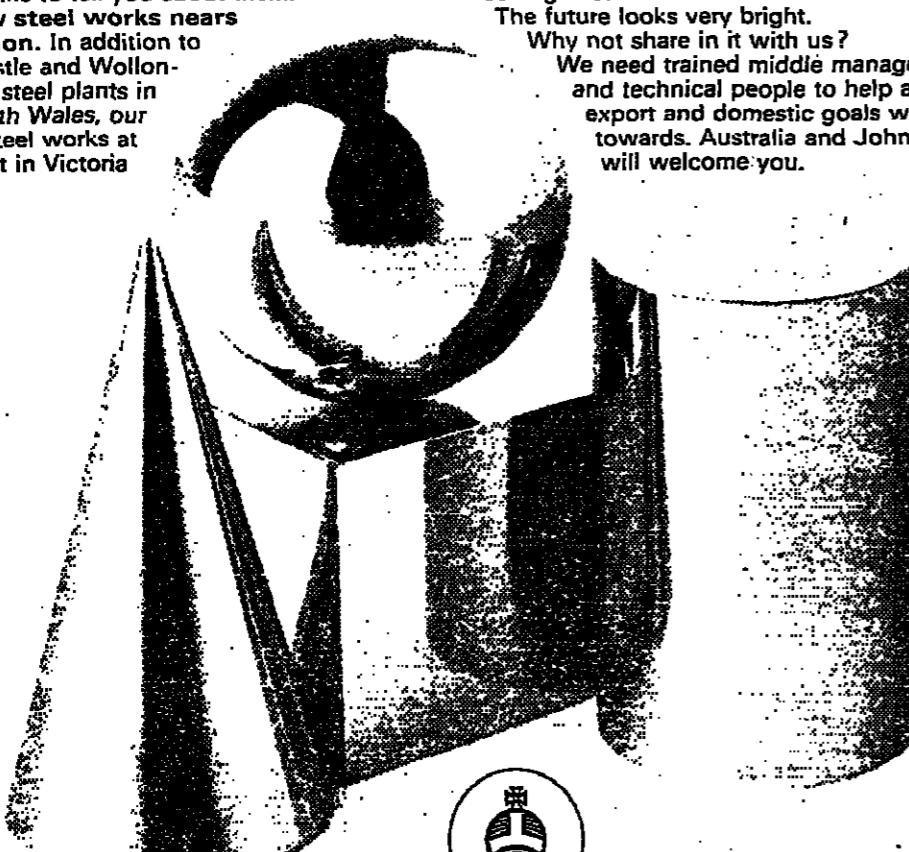
The annual consumption of steel per head in Australia has increased 55% in ten years and is expected to increase even further. We're well advanced in our plans to supply this growing demand and we'd like to tell you about them.

New steel works near completion. In addition to our Newcastle and Wollongong sheet steel plants in New South Wales, our new steel works at Westport in Victoria

begins limited production in less than a year. It is one of the biggest single projects ever attempted in Australia and becomes one of the most attractive investment opportunities to come along in years. We urge you to take a good look at this development.

The need for Management and Technical staff. Australia is a young country growing fast. The quality and efficiency of its steel production is world standard and is backed by the world's biggest resources of iron ore and coking coal.

The future looks very bright. Why not share in it with us? We need trained middle management and technical people to help achieve the export and domestic goals we're striving towards. Australia and John Lysaght will welcome you.



John Lysaght (Australia) Limited  
2nd floor, 14-16 Cockspur St. London SW1



## AUSTRALIA XVIII

# Interstate rivalries hinder steel plans

By DON LIPSCOMBE

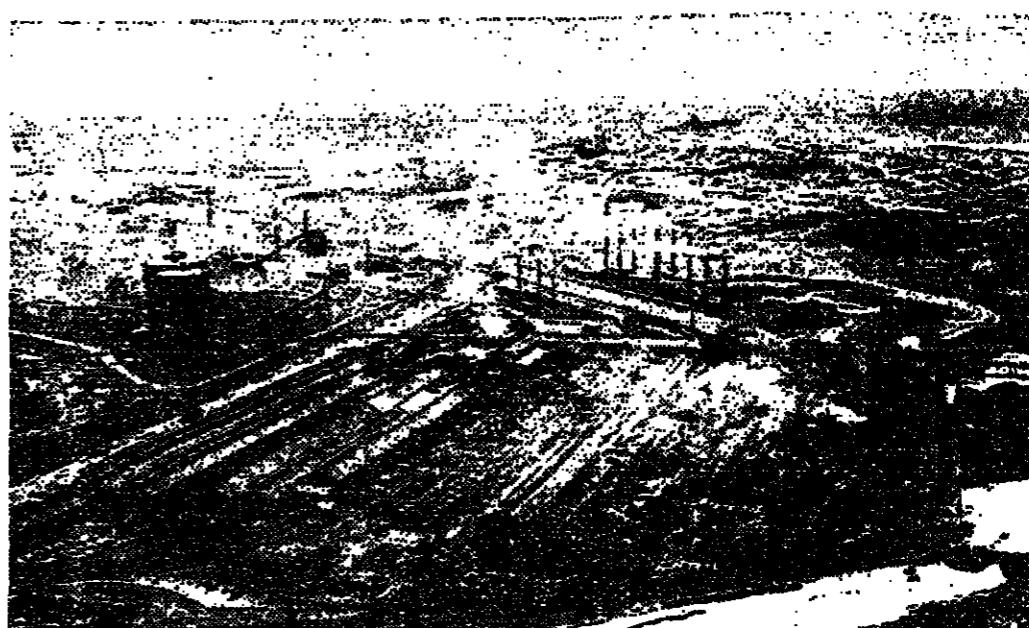
The six-month-old West Australian Labour Government is at the early negotiating stage with possible participants in a west coast integrated iron and steel industry between Perth and Geraldton, which is 240 miles up the coast from the State capital. Australia's monopoly steelmaker, the Broken Hill Pty. Co. Ltd., is being looked to as the linchpin of this operation. But already feelers have gone out to other Pilbara iron ore miners, including the RTZ subsidiary Hamersley Iron and Consolidated Gold Fields.

And this is the latest of a series of tentative but loudly heralded steps, so far abortive, towards a second phase in the development of the industry within Australia. They can be traced back to the early 1960s, when Tasmania was given what read as a firm assurance from the Savage River mine entrepreneurs that Australia's next steel plant would be established in Tasmania—as well it might be now. But it has become increasingly obvious that careful hedging is needed in reporting the developments that explode and disappear during the birth of another steelmaking company or consortium to line up against the successful BHP, far and away the nation's biggest industrial concern.

Already this year, four steel mill plans for the west coast alone, involving more than a dozen potential participants, have been discussed publicly. Steel mills have been considered in Queensland, South Australia and Tasmania. This does not include the Jervis Bay operation in New South Wales, which is perhaps the best place to start tracing through the various trails into this high-powered forest. It is planned to use West Australian iron ore and eastern coal, and this is the common denominator of all the schemes that have come to light.

### \$700m. scheme

The Jervis Bay plan originated in September, 1968, built around U.S. steelmaker Armco, and the original grouping was Armco Steel Corporation, Bethlehem Steel, Kaiser Steel Corporation, with RTZ group companies Hamersley and Conzinc Riotinto of Australia. Bethlehem pulled out in December, 1969, and about the same time reports of British Steel Corporation interest were refuted. A year ago, iron ore prospecting partners Hancock and Wright, soon to float off as a public company, announced they would become part of a \$700m. Armco steelmaking scheme, which by then included



Australian Iron and Steel Ltd. works at Port Kembla, New South Wales.

August Thyssen-Hütte. And it to become critical to the next finished steel for export to club at is at this point that the arrangements start to become untidy. With Armco, Hancock and production was contemplated from Wright had completed agreements with Texas Gulf Sulphur, 1975, starting at 2m. tons a year on one group of claims, and tons with the Mt. Isa copper mine reported for Western Australia. Another 500,000 tons annually of steel balls in the Pilbara, so long as the company has access to Pilbara iron ore. This proposition is not considered realistic, and Armc is suspected of seeking to use the sale of direct shipping iron ore to subsidise its Jervis Bay steel mill aspirations.

Two other projects have been started by parent company MIM Holdings and Mt. Goldsworthy on another. Clearly, West Australian iron ore supplied by Hancock and Wright could access to iron ore to be secured; and this is a debate yet to be resolved.

### Rolling mill

Meanwhile in April, BHP and the West Australian Government did their own bit of kite-flying, with an announcement that the Mt. Newman iron ore group had studied production of iron ore at Kwinana. The site would be the BHP rolling mill in the industrial complex south of Perth, a plant that had been built as a quid pro quo for access to what was then believed to be Australia's best

available iron ore deposit, at Koolyanobbing, near what is now the nickel belt. And the participants would be the members of the Mt. Newman consortium—BHP, the Colonial Sugar Refining Co., Amax Selection Trust, Mitsui and C.Itoh.

The announcement coincided with a Sydney convention of steelmakers, which was followed by a tour around the Pilbara's richest iron ore. But it seems iron ore deposits. Again it was made clear that there would be no firm proposals made clear that there would be prepared and accepted vacancies for others in the within the next year—which Kwinana steel club, which means Australia's second steelmaker would be struggling to start production before the end of the decade.

## Rationalisation in the chemicals industry

By ALAN WOOD

Through an important part of its formative years the industry was well up the queue Australian chemical industry for increased protection. The industry first asked for a comprehensive tariff review in 1961 but was told to go away and do more homework by the Department of Trade, which gave it helpful advice on preparing a case. In the meantime import-disturbing international competition has been slow in the dying.

Management has been an all-too-ready resort to protective barriers as an alternative to facing up to uncomfortable realities.

But internal and external economic pressures and the for the Government and formed the Australian Chemical Industry Council (ACIC) in 1963 to represent the industry. They got their tariff inquiry in October 1963 and the ACIC pre-sented a vast two-volume case Tariff Board inquiry into the for protection to the Tariff industry in the mid-Sixties. By Board. It was a tariff inquiry then most of the industry's basic structure had been laid down.

An undoubtedly turning point in its development was the sented a vast two-volume case Tariff Board inquiry into the for protection to the Tariff industry in the mid-Sixties. By Board. It was a tariff inquiry then most of the industry's basic structure had been laid down.

During the war the size of the wanted the Australian market closed off to imports—stabilised was its euphemism—for a period of five years.

### New policy

It had the support of the Government, or at least of the protectionist Sir John McEwen, for the terms of the inquiry instructed the Board to ensure the "reasonably profitable" development of the industry. The industry did not get all it wanted but it got a substantial part of it. However, the inquiry also drew a great deal of attention (and criticism) to the industry. And it took place at a time when the tariff Board under its chairman Mr. G. A. Rattigan (who was one of the three Board members to deal When import licensing was formulating a new tariff policy

for Australia.

The new approach to protection, recently endorsed by the McMahon Government following Sir McEwen's retirement, does not promise an easy life for the chemical industry. Its aim is to discourage high cost, high protection activities and to encourage resources and investment into the lower cost areas of the economy. That means that significant sections of the chemical industry will be under heavy pressure, and the Board has been asked to look at the industry again in 1972. The 1969 tariff inquiry undoubtedly represented the high water mark of industry protection.

The board recommended, and the Government accepted, that was only in its formative stages the industry receive no bounty or any other kind of protection industry inquiry, but the sort at all. This has hastened rationalisation in the industry with Austral-Pacific and ICI getting together to salvage they could.

The fact that the Government and the board took the attitude the Tarif Board looked at the they did to fertilisers—a industry in the chemical inquiry industry accounting for about the Australian industry had the quarter of funds employed capacity to produce only about the chemical industry as two-thirds of the market's whole in 1960—does not suggest requirement for nitrogenous fertilisers. However, in the of the industry when it comes following three years it expanded its capacity remarkably tunately, there are signs of with the establishment of three changed approach in the industry huge new plants by Australia itself, showing up Pacific Fertilisers (Dow Chemicals), Swift strong growth rate, running and Co. U.S. 40 per cent, 16 per cent, a year through Eastern Nitrogen (Ician 50 per cent) the 1960s and its strong profit—cent—with CRA, Japanese, American and Australian institutions manufacturing industries average at 11.0 per cent—. Ician dominates the industry is a large and vigorous sector of the Australian Petroleum Co. Australian 50 per cent). By 1970 it had the with itself and more modern capacity to provide two and a levels of protection it is assumed of further strong growth in the 1970s.

## AUSTRALIA XIX

The vast distances and relatively sparse population make transport links vital to the country. The next five articles deal with different aspects of physical communications for the sub-continent.

# Transport network still spread thinly

By MICHAEL SOUTHERN

It's a long way to anywhere in reflect itself through to retail Australia. Distance is the prices factor which dominates, and has done more to shape the way of life in this country than any other single factor. There are 13m people spread over 12m square miles and around a 12,000-mile-long coast line. There are new towns developing that are not accessible overland, and are reached only by plane or the long sea route around the coast.

The communications problem, in European terms, is that of having adequate facilities to serve cities as far apart as London and Moscow and the Mediterranean and Scandinavia without having the population to pay for it.

This has in turn been part of the reason for the urbanisation of Australia, where the bulk of the population occupies a comparatively small area of land, and its cities are vast sprawling hubs of homes and industries which, because of the sheer cost of transportation to the major markets, cannot decentralise.

And, as has been recently shown, any variation in transport costs has enormous effects on the economy. Thus, a 2 cent gallon excise increase in fuel taxes has set off a round of competition in transportation costs in the first of which was reflected Thomas National Transport is a 6% per cent rise in air fares already renting trains for this purpose.

## Rail system

Yet, even this sort of massive investment does not show a great deal when spread so widely. Of its 561,000 miles of roads, only one fifth is sealed and barely 2 per cent of that is dual carriage way. The result is delay and high road toll, which costs the nation more than \$380m. each year. The problem of the roads is heightened by the fact that in the face of what is generally regarded as a high cost rail system there has been an enormous development in the bulk road freight business, now worth more than \$500m. a year as all sorts of large sophisticated vehicles are used to meet the company promises of overnight delivery between the eastern capitals.

Some are looking at the advantages of linking their road operations to the standard rail link from east to west and the use of containerised packing, the first of which was reflected Thomas National Transport is a 6% per cent rise in air fares already renting trains for this purpose.

Airlines have developed a vast network of routes, between capital cities and to the remote areas of the country. But they too are faced with the external problem of rising costs of the new equipment that the distances and the really long distance runs travellers demand, and the costs of running them. In some airfares are high and comfortable routes, the switch from turboprop aircraft to pure jets has running full trains booked well ahead. In the urban areas, development has been slow in spite of the increased demands by the growing populations.

But the real problem is that of the railways. They developed prior to World War I in a great construction boom, based around the patterns of different gauges in different States. Only in the past two years has the uniform gauge linked Perth in the West to Melbourne, Sydney and Brisbane. Then, between the years 1920 to 1950 came a phase that has aptly been described as "creeping obsolescence" as rail services deteriorated with the shift of resources into road transport and the havoc that the depression years played on the various State budgets. The railways took the brunt of economies. And overall there was the problem of interest to be paid on a vast accumulated debt.

Other communication forms—Over the past two decades postal and telecommunications—there has been evidence of rejuvenation brought about by standardisation, the new world. But it is an expensive business. At least that much again more efficient rolling stock that service and not necessarily as is the requirement for the next diesel offered, and the closure efficient as the Post Office might five years.

## No guarantee

claim. The cost factor is again important, particularly now that money is tight. The increased pressure that the Post Office is putting on its telecommunications users for payment is rude and merciless: the improvements in service negligible. To have letters delivered quickly one now has to pay a vast premium and even that is no guarantee.

The telephone network is lagging sadly behind demand, though those who have them have access to a vast subscriber trunk dialling network that covers much of the nation. But the Post Office philosophy on telephones is spelled out by the director general, Sir John Knott, in the Melbourne Age of July 26. "Simply to add new customers to the network by providing them with a telephone and a line to their local exchange is to invite chaos—the sort of chaos that has been experienced in major cities overseas like New York where some critics claimed that the telephone system had almost ground to a stop."

Telecommunications here is an industry that demands vast capital expenditure. In 1970-71 it totalled \$322m., for 1971-72 the budget allowance is \$347m. So far, well over \$2,000m. has been spent on telecommunications. At least that much again more efficient rolling stock that service and not necessarily as is the requirement for the next diesel offered, and the closure efficient as the Post Office might five years.

# New port developments for specialised uses

By a Correspondent

One of the most important developments to come from the Australian minerals boom has been the north of the country, been Mount Newman and Mount Goldsworthy, handling shipments of the construction of new 15m. tons and is designed to cope with 40m. tons by 1975. Dampier is a privately developed port for Hamersley Iron, again with a capacity for 100,000 d.w.t. ships.

Cape Lambert is perhaps the most ambitious for, when super size ships that are finished, it will provide two berths for iron ore from these as to foreign or Australian tonnages. The coastline from Geraldton in Queensland and to Dampier in Western Australia has seen remarkable developments as the new mining towns.

Ports have developed, or are being built, to accommodate super size ships that are exporting the ores from these as to foreign or Australian tonnages.

Gladstone has become the shipping point for Queensland's 2m. tons per year alumina production and an outlet for coal at a projected rate of 18m. tons per year. New ports are under construction.

Port Hedland has become the centre for iron ore from Mount Newman and Mount Goldsworthy, handling shipments of the construction of new 15m. tons and is designed to cope with 40m. tons by 1975. Dampier is a privately developed port for Hamersley Iron, again with a capacity for 100,000 d.w.t. ships.

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The northern ports are specialist affairs, some privately owned and of little real use at this stage of the north's development to anyone but the companies which have built them and use them.

But trade with Japan alone will increase fourfold in the next ten years, and the Japanese in particular have raised doubts about future capacity. As they see their future trade with this country, a programme to im-

prove facilities so that a capacity of chemicals to a more general nature of grains, concrete materials and steel is required here. The real problem to be faced however is that of a deepwater port. It is becoming clear that neither the existing facilities nor projected developments at Sydney or Melbourne will be able to cope with the super size programme under way. This concept of making existing city ports bigger has been the subject of a great deal of criticism as four or five major ports become bigger and bigger, adding further to problems that have begun to develop of overcrowding and the transport suffocating that arise as a result.

One proposition which has been made, and lobbied with some intensity around Australia and London, is for the development of a container port at Port

which will cost \$85m., is for a Huon in Tasmania.

The argument is that this area simply that of an extension of an existing port close to a metropolitan area. When this port is fully developed by the mid-1980s it will be able to cope with ships up to 200,000 d.w.t. and have the first single point mooring system in Australia to serve its liquid cargo terminal. Its capacity for handling cargo will reach 15m. tons a year by the end of this water harbour that is well sheltered, and the nature of the tered. As yet, this proposal has received little support apart from the Tasmanian Government.

But trade with Japan alone will increase fourfold in the next ten years, and the Japanese in particular have raised doubts about future capacity. As they see their future trade with this country, a programme to im-

## General cargo

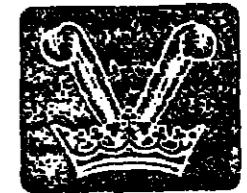
While the Botany Bay project, which will cost \$85m., is for a Huon in Tasmania.

The argument is that this area simply that of an extension of an existing port close to a metropolitan area. When this port is fully developed by the mid-1980s it will be able to cope with ships up to 200,000 d.w.t. and have the first single point mooring system in Australia to serve its liquid cargo terminal. Its capacity for handling cargo will reach 15m. tons a year by the end of this water harbour that is well sheltered, and the nature of the tered. As yet, this proposal has received little support apart from the Tasmanian Government.

But trade with Japan alone will increase fourfold in the next ten years, and the Japanese in particular have raised doubts about future capacity. As they see their future trade with this country, a programme to im-

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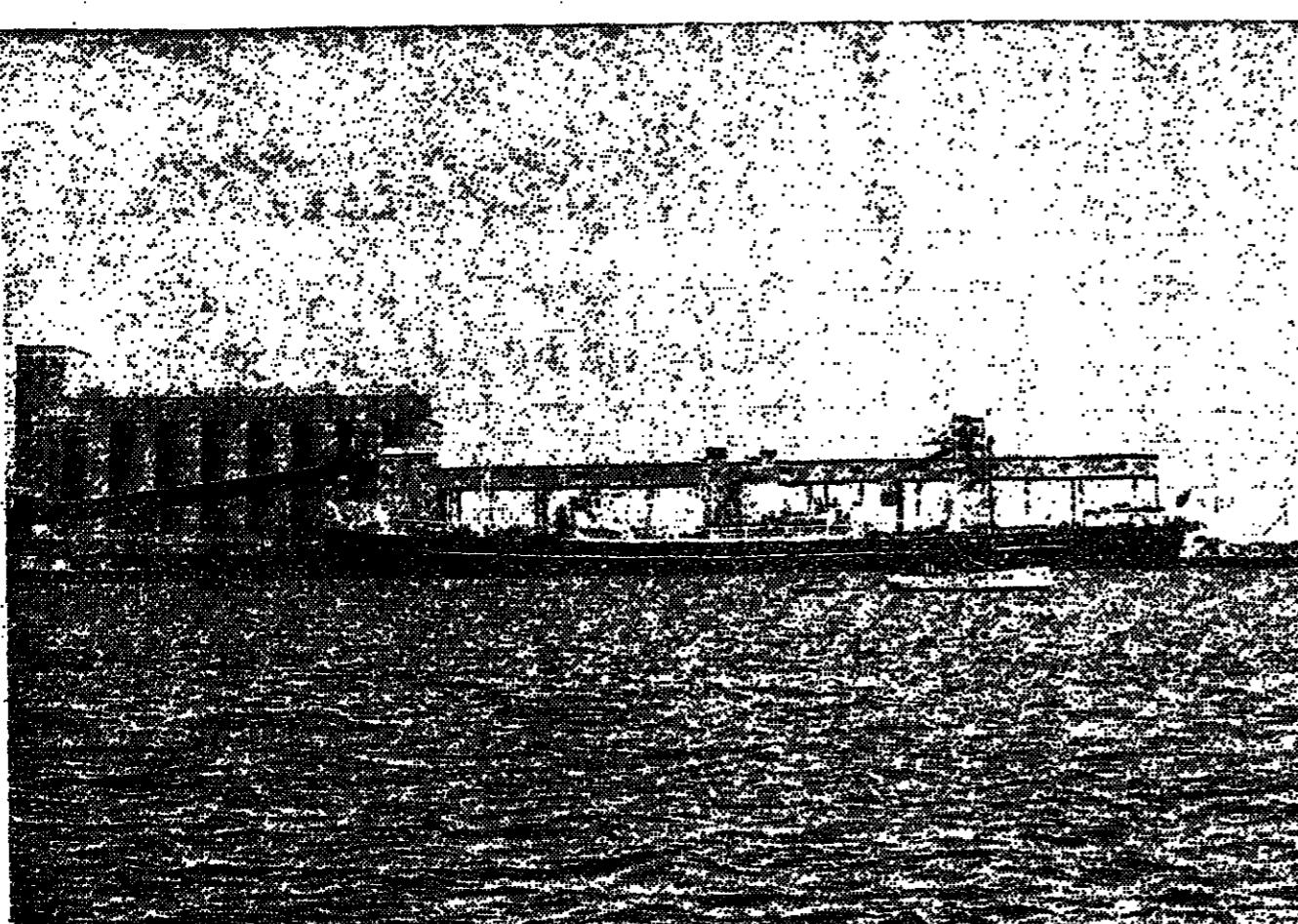
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## AUSTRALIA XX

# Shipping goes through a difficult period

By GRAHAM KAVENAGH

## TENDER FOR COMPUTER EQUIPMENT, AUSTRALIA

### GENERAL:

Philips Industries Limited in Australia is embarking on a major EDP development program and tenders are invited for the supply of computer equipment for the first phase of this, the installation of a major system in Sydney, Australia.

The applications include manufacturing, control systems, real time sales and production order processing, general commercial processing and to develop manufacturing and commercial data bases.

To achieve these objectives, the company plans to install a suitable computer system which is detailed in the hardware specification. We are seeking a supplier who is able to supply, support and maintain the equipment specified and who can demonstrate this capability.

### SPECIFICATIONS:

Central Processing Unit—of about 250,000 bytes of main storage with growth to at least 500,000 bytes of main storage. The unit proposed should be compatible with a full range of larger systems for future growth.

Magnetic Disk Files—a minimum of 350 million characters of on-line storage is required with provision for expansion to 700 million characters of on-line storage.

LINE Printers—Two 600 LPM printers—132 characters/line minimum.

Card Reader—minimum rated speed 500 cpm.

Card Punch and Printer—capable of punching data into standard 80 column punch cards and printing data on the card all under program control. The equipment must be capable of printing at least 1,000 characters of data on a card.

Optical Reader—Capable of reading journal rolls and cut forms. Fonts must include NOR, OCR-A, Farrington and numeric handwriting.

Data entry and Retrieval System—Two types of systems are required:

1. Remote key entry systems connected on-line to the central computer which is giving operator guidance. The terminal equipment must be capable of providing independently controlled hardcopy output.

Tenders close 11th October, 1971, and should be submitted in writing to:

D. W. Furini, ISA Manager—Sydney, Philips Industries Limited,  
95 York Street, Sydney, NSW 2000, Australia.

Enquiries may be directed to:

D. W. Furini, Sydney (Australia). Phone No. 20 223.

from the edited and processed data. Suitable printers on such a system should be capable of a minimum speed of 30 LPM or 40 CPS.

Numbers required are—60 keyboards and guidance systems and 19 printers. Up to 8 locations would be multidropped on a single 2400 baud line.

2. A data collection and communication system suitable for use in a manufacturing or warehousing environment. The equipment must be able to operate as a stand-alone system and/or connected to the central processor and central data base. Terminals on the system must be able to collect data from punched cards, identification badges, manual keyboard entry and digital devices such as scales or counters: the system must also support multiple printers and units for operator guidance. The system should be able to support up to 40 stations over an area of at least 1 square mile.

Program testing and simulation for the system must be able to be done on the central computer system.

Tenders should detail terminal equipment performance and support offered for connection to both the Australian Post Office Common User Data Network and multidropped on a single 2400 baud leased line.

**SOFTWARE:**  
Details of operating systems providing full multiprogramming and teleprocessing support should be included in submissions. Only equipment which has full software support should be tendered. Details of FORTRAN and ANS COBOL compilers should also be included.

**DEMONSTRATIONS:**  
All equipment or software proposed must be able to be demonstrated. Tenders should detail current installations in Australia available for system development, back-up and pre-installation testing.

As installations are upgraded in Melbourne, Adelaide and possibly established in Perth, tenders should detail smaller, but fully compatible computer equipment and the support and back-up available for these locations.

Tenders close 11th October, 1971, and should be submitted in writing to:

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95 York Street, Sydney, NSW 2000, Australia.

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Spiralling freight rates, industrial disruption, challenge by outcry. Rather, this outcry has been directed at a spate of system and increased sophistication of vessels serving Australia's overseas trade: these are cited by trade groups such as the main issues of a relatively the Export Development Group stormy period for the Australian shipping industry.

Development of the industry overseas has been characterised by the vast penetration of containers into all overseas trade routes. In the past 15 and 20 per cent. in the last 12 months with little indication, has been forecast that the last as in any other part of the world, that an end to the conventional ship or break-bulk cargo handling will disappear by 1980.

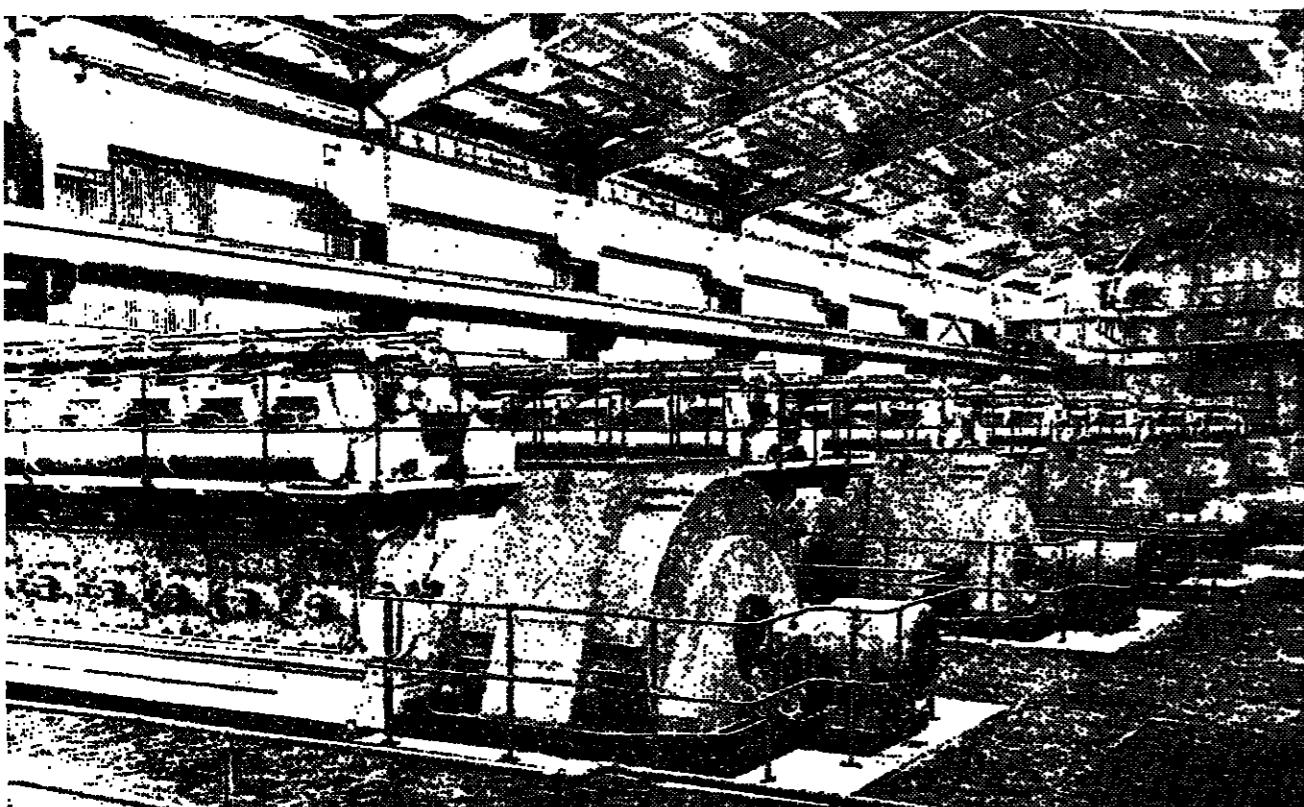
In the Australia-to-Europe trade, the fleet of container ships has grown to 13 with only one more to come—that of the Italian line Lloyd Triestino. To Japan, the Australia Japan Container Line, managed by Overseas Containers, has put its two container ships on co-ordinated schedules and cargo pooling with those of the three Japanese container ship owners, Nippon Yusen Kaisai Yamashita Shinnihon and Japan Australia Line.

Also on the Japan run is the Australian National Line initiated Eastern Seaboard Service. In the past 12 months the ESS fleet has grown to three vessels. The newest, owned by Flinders Shipping of Melbourne, returned the Australian flag to private enterprise shipping after a 50-year absence. Now the ANL is pressing for a fourth ship from Japanese owners to make the ESS vehicle deck container ships a joint Australia-Japan service.

On the cargo route to the east coast of North America, the first two of 12 container ships have emerged and the conventional fleet is dwindling. On the U.S. west coast trade, two of three 20,300-ton roll-on, roll-off vessels are now in service with Pacific Far East Line, which assumed control of Matson's service, upgrading tonnage in preparation for two container ships of perhaps a LASH (lighter aboard ship) vessel.

Containers have won the battle for acceptance in Australia. Even facilities which, with hindsight, can be criticised for inadequacy are no longer

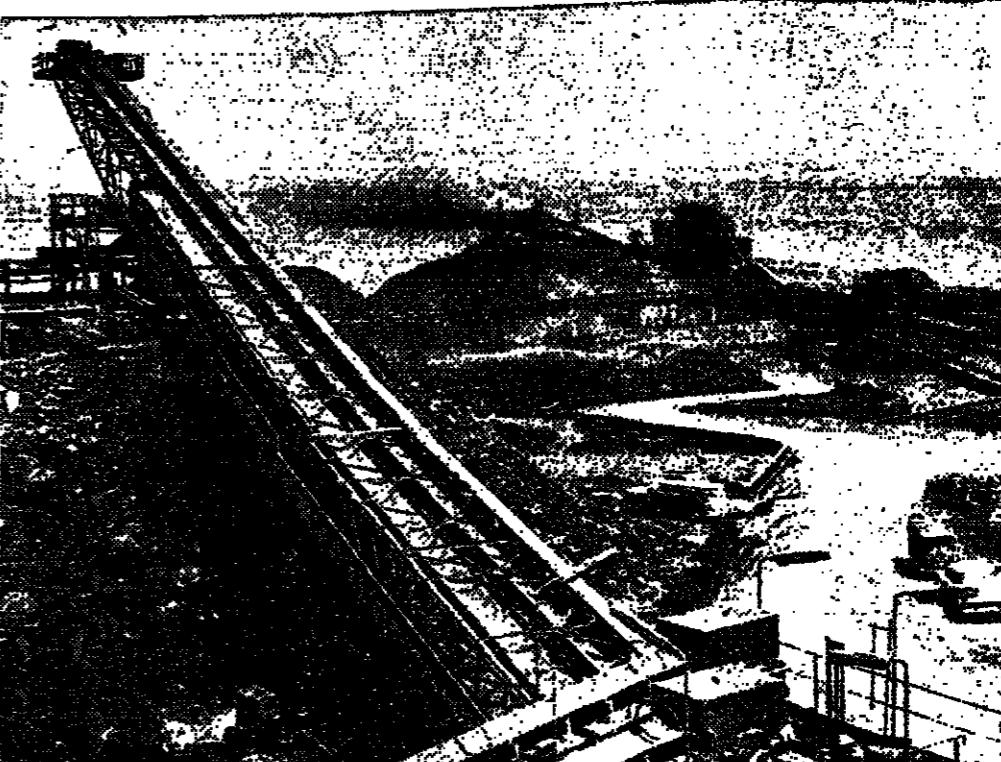
## OVER 280,000 BHP INSTALLED BY MIRRLEES



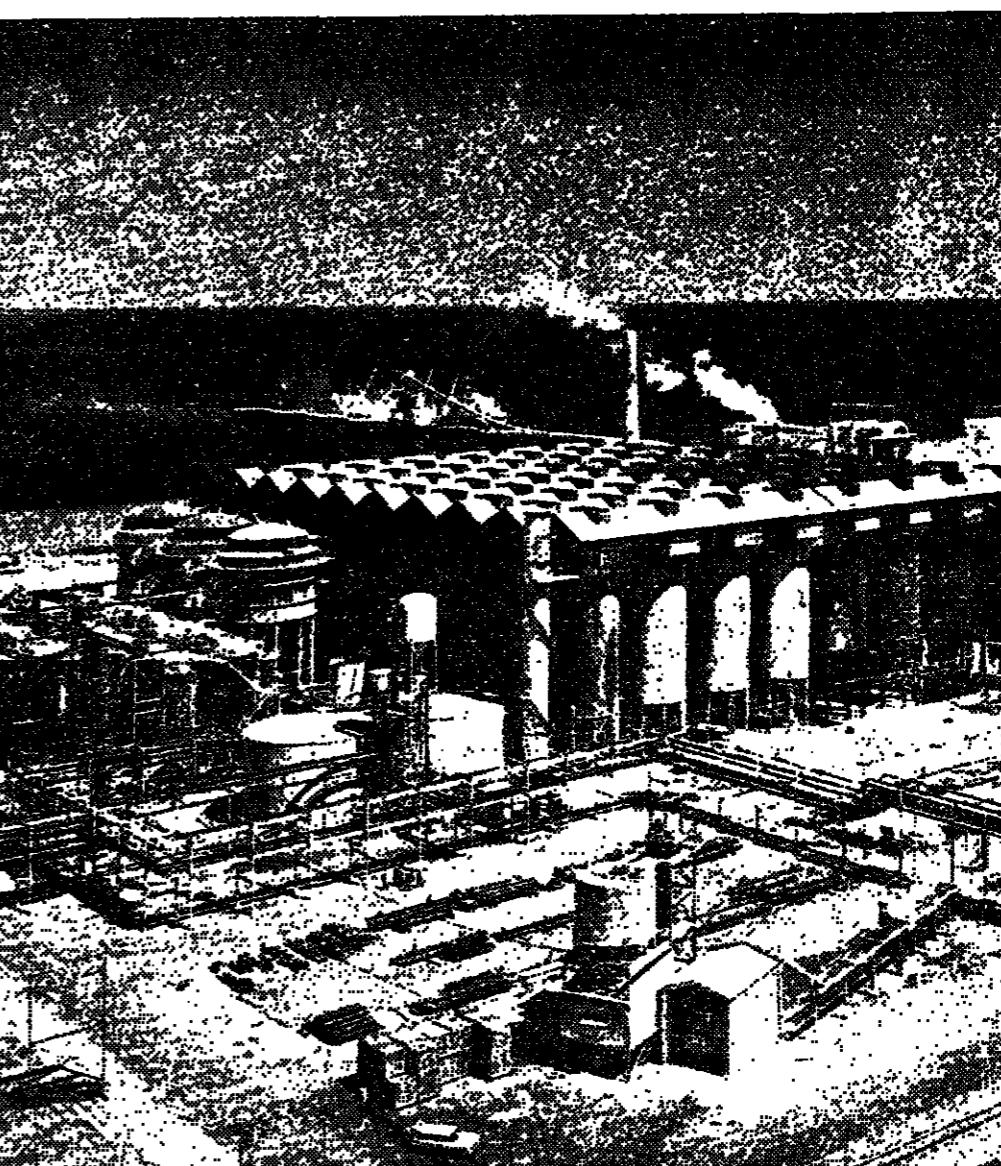
Dampier Power Station in Western Australia was one of the largest diesel generating power stations in the Southern Hemisphere, generating 35 MW. The station was equipped with eight Mirrlees KV16 Major diesel engines coupled to Brush Alternators generating 4,370 KW each, and was built by the Hamersley Iron Pty. to supply electricity for the Port Town, and Ore Pelletising Plant. The complete station has now been moved to the Hamersley Iron Company's new venture at Paraburdoo.

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## AUSTRALIA XXI

# Aviation faces up to consumer revolt

By JOHN STACKHOUSE

The revolt of the travelling public was all the more severe because only months before Trans Australia Airlines had picked up an emotional element of betrayal on its way to Australia.

The inhabitants of the most isolated continent, at least 20 per cent of whom are post-war migrants with deep ties with Europe, Britain or North America, now realise there is no reason why they have to spend thousands of dollars to make a pilgrimage back to their original homes.

At the same time, the cultural forces, which draw young Australians mainly to England, have given the new generation an equal incentive to rebel against the scheduled airlines' high fares policy which so long has ruled on routes into and out of Australia.

The result has been a genuine anger which has turned on the national carrier Qantas. For the first time in its 50-year history the airline is alienated from the mainstream of national achievement.

This alienation, coming at a time of managerial and economic stress, has resulted in a large and influential section of public opinion and the Press in Australia questioning Qantas in particular and the scheduled airlines in general. IATA, the fare-setting trade cartel, has achieved the connotation of a dirty word.

The main reason for this reaction is the sudden growth of charter traffic out of South-East Asia. The Australian, who once expected to pay \$1,300 for a round-trip "home," now finds he can make the journey for between \$600 and \$700 by flying on Qantas or a scheduled airline to Singapore, then transferring to one of the cut-rate charter operators for the long haul to Europe.

Industry sources estimate that at least 40,000 Australians make this split journey every year. The result has been to lighten loads on scheduled airlines on the same route and even to siphon off traffic from other routes to Europe, for instance via North America.

The result, not surprisingly, is a load factor on the scheduled flights well below break-even which, in turn, led to a reaction by Qantas involving stringent economies and pilot lay-offs.

The process was very similar to the economic shock BOAC went through earlier this year. But in Australia's case the sur-

**Cut times**

The aeroplane, coming through an era of developing Australian nationalism, provided the vehicle not only for pulling the country together but of speeding up communications with the northern hemisphere centres. The Boeing 707 and the way it cut travelling times over long distances, probably shares a place with the migration inflow and the vast capital flood as causes of the transformation of the Australian scene since the mid-1950s.

In the disillusionment with high fare levels, it has been expected that BOAC will call the tune for lower fares which its pool partner Qantas had to follow. BOAC's decision to launch its charter subsidiary into the charter market which is haemorrhaging traffic to and from Australia pushed Qantas into taking the same action.

Sensing the political climate, the Government let it be known it would like Qantas, too, to set up a subsidiary and this Qantas is in the process of doing.

The airline's plans are not yet complete, but they look at this stage as though they will go only part of the way towards meeting the vocal Australian demand for cheap long-distance travel.

Meanwhile, in the wholly regulated domestic airline market, the unique Australian two-airline policy looks as though it will be indefinitely prolonged into the future.

The agreement which maintains a load factor on the scheduled flights well below break-even which, in turn, led to a reaction by Qantas involving stringent economies and pilot lay-offs.

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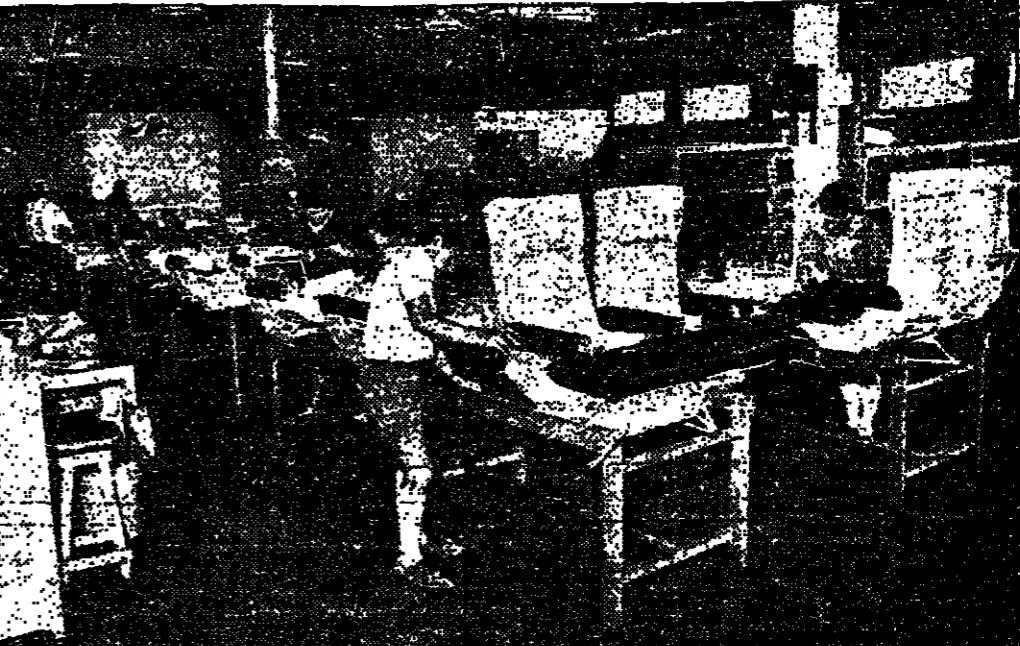
The process was very similar to the economic shock BOAC went through earlier this year. But in Australia's case the sur-

The move now is towards co-production with British, U.S. or European companies in the future.

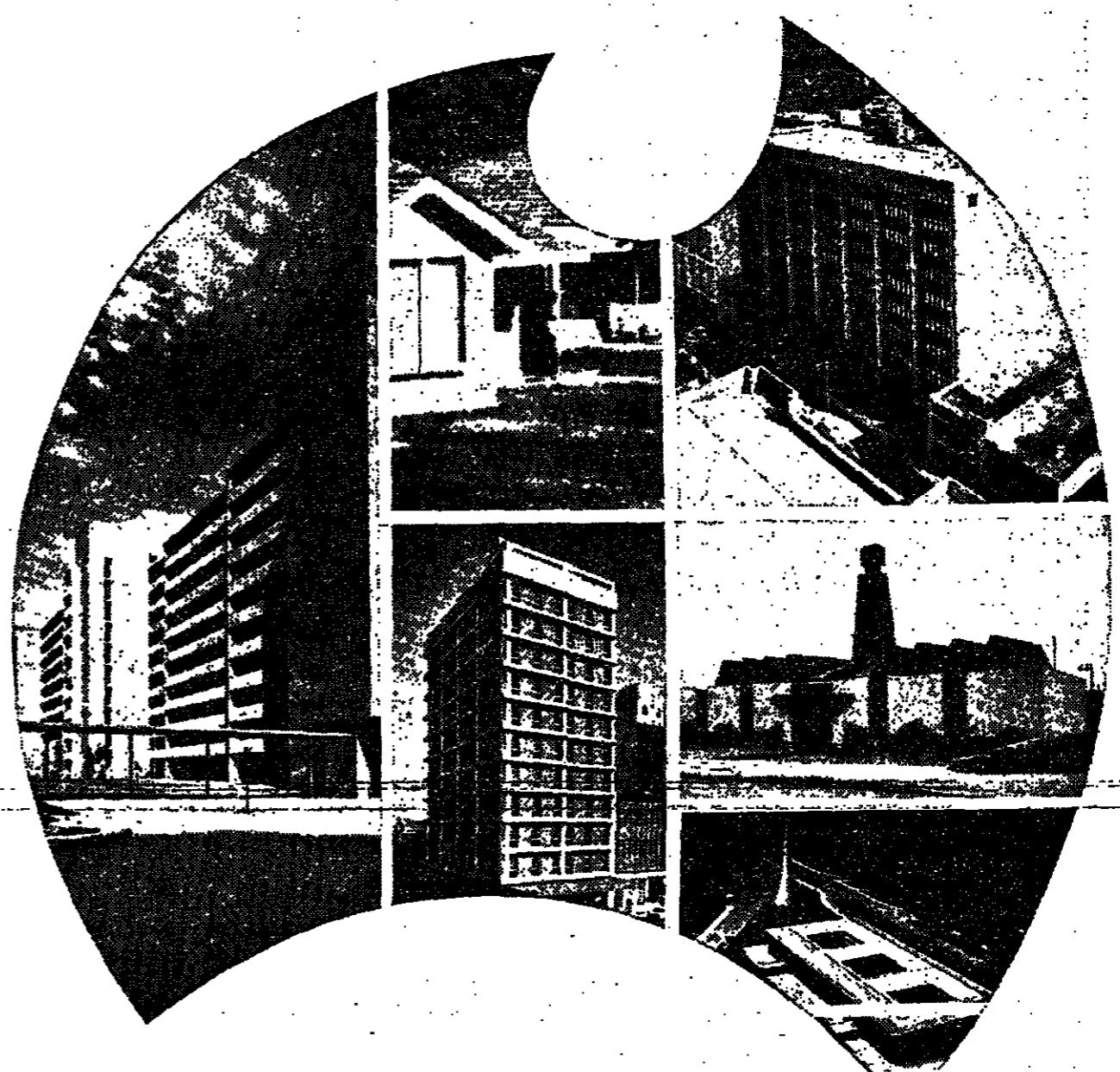
Although the first product of the Government's more active and parallel policy of obtaining offset work for the industry has been the decision to set up a helicopter line at CAC in response to a major Army order, the industry would like to have design participation in future construction projects. The British advanced trainer project—either from BAC or Hawker Siddeley, depending which the RAAF chooses—looks like being the first vehicle for this.

On the civilian side, the offset programme is resulting in a trickle of small jobs mainly from Boeing in the U.S. in response to Australian equipment orders for airlines.

These are having the effect of introducing technologies and methods as well as providing some work and could become increasingly important as the industry learns how to become an effective international subcontractor.



Manufacture of seats for the F27 Friendship aircraft in use by Australian domestic airlines.



## New pattern of retail

By DAVID HILL

The swing into regional shopping has remained the most significant development in NSW, Myers in Melbourne and David Jones in Queensland.

**Bulk buying**  
The all-Australian Woolworths and its chain competitor, Coles, after only 13 years' operation in Australia together control nearly 30 per cent of the nation's food retailing, worth \$3,188m. last year. Despite the large degree of concentration the industry has remained remarkably competitive. The impact of the supermarket, which eliminated many small food stores appears to have subsided as the remaining independents at the remaining independents have formed co-operative bulk buying blocks to compete. A similar pattern has developed in the domestic appliance market, where the emergence of discount houses, working on lower profit margins, have cut into established markets.

The Australian Council of Trade Unions (Australia's equivalent to the TUC) recently joined Bourke's store in Melbourne and refused to sell goods at the fixed retail prices. After threats to cut off supplies and counter threats by the unions to black-ball the transport of goods, the companies backed out to make a reasonable \$8,500m. for the previous year.

It has been the big companies, which have recognised not only the need to switch into suburbia but also the need to cater for the changing shopping taste of the Australian housewife, which have registered the best results. While prices are still important, the more affluent and motorised housewife, like her American counterpart, is demanding more comfort and convenience. New regional centres now provide easy car parking, air conditioning, shopping under one roof and even entertainment to distract from the burden of shopping. Among the leaders in the goods, the companies backed out to make a reasonable \$8,500m. for the previous year.

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## AUSTRALIA XXIII

# Aboriginal land rights: a moral issue

By ELIZABETH EGGLESTON,  
Director, Centre for Research into Aboriginal Affairs, Monash University.

The Aboriginal population of 130,000 is a very small minority in the total population of Australia. Yet other affluent Australians appear incapable of solving the problems of this poverty-stricken, ill-used group.

The major event of the past year in Aboriginal affairs was the judgment of Mr. Justice Blackburn in the Yirrkala land rights case. Aborigines for many years had claimed that they should be granted legal title to land which Aboriginal groups were still occupying and compensation for land of which they had been dispossessed.

They pointed to the fact that Australia is the only country which has accorded no recognition to land rights of its indigenous people.

The Yirrkala Aborigines of the Gove Peninsula in the Northern Territory were the first to take legal action in an attempt to establish land rights through the courts. The action was brought against Nabalco, which had been granted mining rights in the area, and the Commonwealth government which had allowed Nabalco to set up its mining operations in the Aboriginal reserve. There was widespread disappointment in the community when Mr. Justice Blackburn decided that the Aboriginal plaintiffs had no legal rights to the land they claimed.

The judge found that the evidence showed that the Aborigines belonged to the land but he land did not belong to the tribes. The Aborigines clearly had a close relationship to the land but it was not of a type which had been recognised as a proprietary interest in Australian law. In reaching this conclusion he perhaps adopted an unduly narrow view of the concept of "property." But it is not surprising that a judge who is bound to decide in accordance with the law of the land would have found himself constrained to try to fit the Aboriginal claim within the existing legal framework. When he was unable to do so, he rejected the claim, rather than recognising a new form of proprietary interest.

## Crisis in education

By TOM ROPER

If one word can be used to describe Australian education during the last decade that word would be "crisis." Indeed "crisis" has been so frequently mentioned that its power to shock has evaporated.

Every August-budget month for the six States-brings forth another series of warnings of their impending financial bankruptcy. Education expenditures which now make up approximately 40 per cent of all State allocations have contributed more than any other factor to the cries of doom. Governments faced by growing student numbers and galloping staff salary rises have had to spend more to stay in the same place. During Victoria's last financial year pay rises accounted for 85 per cent of all extra money voted for the non-tertiary sectors recurrent expenses.

Eighteen months ago an amateur education reformer, capable of meeting unusual

vived as Aboriginal reserves. The question of compensation for other land has not been tackled by any government. The American Indian Claims Commission would be a useful precedent here.

### White willingness

The importance of the land rights issue is not only that it is full of spiritual meaning for Aborigines and that it is a valuable economic asset. It is also a symbol of the genuineness of white Australians' willingness to recognise Aborigines as fellow human beings.

Do white Australians really believe that the Aborigines are worth as much consideration as the cattle which roams the vast Vesty property? The policy on land rights adopted by governments in the near future will provide the answer to this question.

Another development of the

State governments to repeal legislation discriminating against Aborigines. The campaign has met with some success. Western Australia has agreed to repeal its discriminatory legislation. Queensland will repeal only some of the provisions of its Aborigines' and Torres Strait Islanders' Affairs Act, notorious among Aborigines as the most repressive of all the States' legislation.

The federal Government has announced no plans to repeal discriminatory provisions applying to Aborigines under its control in the Northern Territory.

The enactment of favourable legislation alone is not enough to ensure equality of Aborigines with their fellow Australians.

Legislation must be enforced to have any real effect. During the last year the first charge was laid under the South Australian Protection of Discrimination Act.

The prosecution was successful and a hotelkeeper was convicted because he had re-

fused to serve an Aboriginal couple.

On the other hand, the enforcement of equal pay for Aboriginal workers has not been so successful. Awards now provide that Aborigines in the pastoral industry are to be paid equal wages. But they must be members of a trade union and, unless the union takes the trouble to sign them up as members, legal enforcement of equal pay is not possible.

Aborigines in general have suffered discrimination when involved with the legal system, partly because they have not had ready access to lawyers. The land rights case was a sign that Aborigines now realise that lawyers may be able to help them. The recent establishment of the Aboriginal Legal Service in New South Wales is an indication that lawyers are becoming aware of responsibility in this field. Over 140 barristers have volunteered support.

### Education level

The average level of education in the Aboriginal community is below that of white Australians. Recently experimental pre-schools have been set up, scholarships have been awarded to enable children to stay at school beyond the minimum leaving age and some limited adult education has started.

It is not only better education for Aborigines that is needed. White Australians are beginning to realise that their own education is incomplete because the role of the Aborigine in the history of the country has been largely

ignored or distorted in school textbooks. They are also slowly

awakening to a recognition of the richness of the Aboriginal cultural heritage.

Governments have responded to this awareness by passing legislation for the preservation of sacred sites.

Organisations of Aborigines

now talk of Black Power.

Many whites react with fear or hostility.

Apparently they do not

realise that Aborigines have

been subjected to White Power since 1788. Power is not synonymous with violence. Black Power so far has been manifested in attempts to remove whites from the executives of voluntary bodies and in the establishment of new all-black organisations.

It is sensible of Aborigines to

take over the responsibility for

conducting their own affairs

wherever possible and to seek

to maximise the advantage from

any political power they may

have as an organised pressure

group. Their present depressed

state results from their history

as an exploited group, dis-

possessed by the white con-

querors. Unfortunately the le-

way they have to make up is

so great that it will be a long

time before Aborigines are the

equals of other Australians in

health, wealth and education.

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3 King William Street,  
Phone: 51 4955

Source: Plant Location  
International Pty. Ltd.

Year	Sydney/National Industrial land price index	Sydney stock exchange price index	Consumer price index
1960	100	150	100
1961	105	155	105
1962	110	160	110
1963	115	165	115
1964	120	170	120
1965	125	175	125
1966	130	180	130
1967	135	185	135
1968	140	190	140
1969	145	195	145
1970	150	190	150
1971	160	180	160

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## AUSTRALIA XXIV

# The property scene round the capitals

By DOUGLAS MARCH



Hayman Island, a typical holiday resort in the Great Barrier Reef along the Queensland coast, where the tropical weather provides ideal swimming and boating conditions almost all the year round.

## Tourism tends to lag

By JOHN STACKHOUSE

While the tourist industry throughout the Pacific flourishes, Australia seems to be dragging its feet. Growth rate in recent years has been around 8 per cent. In other regions growth of over 20 per cent is common and some, like Fiji, are reporting around 44 per cent.

With hundreds of the top U.S. travel industry figures about to descend on the country for the American Society of Travel Agents' convention beginning October 30, the industry is painfully aware of some of its shortcomings.

The ASTA convention alone will highlight the scarcity of hotel rooms in Sydney and Melbourne and the shortage of convention facilities. Completion of the Opera House in Sydney by about 1974 will provide a major venue, but the problem of hotel accommodation continues. In the last few weeks one of the traditional city-centre hotels, the Australia, in Sydney, has been closed for commercial redevelopment and others have gone in both Sydney and Melbourne in the last couple of years.

The soaring land prices and interest rates in Australia have convinced developers that hotels are bad news. As yet there has been little construction on the outskirts of the city, which is Australia's protectionist avia-

### Interlinked

But industry sources believe this will not happen on the same scale as Australia's neighbours until fares come down dramatically, until promotion is pushed much more vigorously and until the accommodation problem is solved. The three are inter-linked. If a breakthrough on fares occurs, the other two factors will surely follow.

The hardest knocker on Australia's door is the big U.S. charter airline World Airways, which has now filed three applications to run tourist charters from the U.S. to the South Pacific, including Australia.

"Boom, Buoyancy, or Bust!" a Central Business District large scale mining interests, caught up in the Sydney re-whichver verdict best fits the metropolitan property climate has it that \$800 may be achieved of new discoveries, established for land prices although some in the foreseeable future. The themselves in Sydney (as they general level for complete de-veloped sites as opposed to tent in Perth and to a lesser extent in Melbourne) in spacious individual component parcels is prestige offices. With the recent collapse of leading companies and serious setbacks to others, much of this expanded accommodation has become redundant. At the same time loss of confidence in minerals experienced in the last two years; the general level is \$150-\$200 per square foot with a recorded but atypical peak of \$370.

Melbourne is very "address conscious" and this has led to a lateral tendency in some of the latest development: Sydney on the other hand has had more of a clustering of building immediately south of Circular Quay. A Collins Street address in Melbourne usually adds premium to both land price and rent.

Preoccupation with real estate has only become a feature of the Australian investment market since the early 1960s. After a short period of oversupply and an enormous recession, the demand for commercial floor space accelerated quickly in two directions—downtown offices and regional shopping centres.

Over the last five years central area office development has occupied the centre of the stage.

Principal stimuli in the demand for new office space have been overall business expansion, a requirement for increased floor area per worker, and the comfort, convenience and prestige of up-to-date accommodation. Much of the finance for the supply side of the equation has flowed from establishment sources which had previously displayed limited interest in property. This was accompanied by a "maturing" of the attitude to distance, high fares, lack of accommodation and inadequate occupancy; it was recognised that payment of rent rather than outright property ownership was first available three to five years ago and for which the initial leases have now expired. Further momentum has been added by the growing inflow of overseas-based capital, much of it from the U.K. The magnitude of this place in some instances at the planning stage. However, Admittedly some trauma is being experienced as vendors are meeting unexpected buyer resistance to higher rents. The Minister, Mr. Gorton, sought to restrict overseas financing of advance and are also becoming more selective in their requirements, thus placing greater inflationary measure.

Given the essential breakthrough on fares, Australia must rank more and more as an area of tourist potential. As the wave builds up the returns from investment in the tourist sector will eventually become most attractive.

The weather is by and large good; and if there is a weather problem at any one time, the country is big enough to go somewhere else and enjoy good conditions.

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**AUSTRALIA XXV**

In the last four pages of this survey, the individual States and territories are discussed—their aspirations and fears and their development, planned and actual.

## S. Australia thrusts ahead

By MICHAEL SOUTHERN

It's funny what a change of age, has given this State a new one or two vulnerable industries. Motor manufacturers have all seen their downturns, and the decision by GMH to switch its electrical appliance activities to New Zealand showed just how much the labour force requires alternative sources of work. In his first year of office Mr. Dunstan has travelled widely to encourage new industries to come, and to have the existing industries think in terms of exporters rather than suppliers of the domestic market. There has been an influx of new industries like plastics, and an expansion of existing paper and pulp plants and Philips electrical and electronic factories.

The motor-car industry is expanding in the face of labour problems which it is hoped will be temporary. General Motors Holden's and Chrysler's are both based near Adelaide. The GMH investment is now running well above the \$A200m. mark, and a further \$A10m. expansion is planned. The two employ around 16,000 people—just over 10 per cent of the State's work force, while there is something like 10,000 others engaged in dependent industries.

The other major employer is BHP, with its \$A200m. integrated steelworks, and the shipbuilding yards at Whyalla. For Mr. Dunstan, the problem is to switch the dependence of his State's economy from these

### Labour problems

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For Mr. Dunstan, the problem is to switch the dependence of his State's economy from these

Mr. Dunstan has also taken the lead in Australia on social reforms. It was his State which legalised abortion and first legislated to prevent and penalise racial discrimination. His social welfare policies have been the envy of residents in other States and the despair of other politicians.

On the cultural front, Adelaide claims the lead in Australia through its arts festival, which has, for more than ten years, been responsible for bringing major overseas artists and orchestras to this country. Its film festival is of growing importance, and its cultural activities being established is again moving back up to boom levels.

But the industrial action is

## Victoria's two economies

By G. McDougall

The number of factories quality meat, and beef men and weekend trippers from Melbourne are not the most speak optimistically of a decade bourse, now boasts a fertiliser plant, an oil refinery and numerous light industries. The former industrial industry has been prospering for a decade, and the general slump. Country towns are suffering as debts remain unpaid, as businesses close. State and Federal Government policies of "decentralising" secondary industry away from Melbourne into rural areas have been so meagrely executed

there is little alternative employment for bankrupt farmers and graziers, their employees, or redundant townsmen. They head for Melbourne where secure work is available. This—the main attraction of the city—has always drawn a steady trickle of people. Now that trickle is becoming a flood.

### Quiet years

Industrial expansion around Melbourne is getting back into top gear after quiet years in 1968 and 1970. In the 1950s and 1960s feverish industrial development centred on Dandenong, east of Melbourne and at Geelong, south-west of Melbourne. Both these areas accelerated under the influences of encouragement and indirect assistance from the Victorian Government.

Now, a new area is being developed—on the shores of Westernport Bay, 40 miles south-east of Melbourne.

What was a quiet rural and

According to local politicians, Westernport could in time become "Victoria's Ruhr." Whether this is what electors want over the long-term may be another matter.

In 30 years the area 20 miles west of Melbourne, through to Westernport will probably be closely settled with industry and housing. Much of it already with Australia's monopoly steel producer, the Broken Hill Proprietary Company, have begun filling in foreshore, mud flats and mangrove swamps to complete a 2,000-acre plant and port site. Here they will establish a 250m. steel-making and processing complex.

Other big industries will certainly follow, for the steel plant will be there and power is on tap—pipelines carrying oil and natural gas from several fields in Bass Strait either pass through or end at Westernport.

The American Esso group, with BHP, is talking of building an oil refinery and petrochemical plant near Hastings, and other large projects are being planned.

There are other good reasons for Westernport's popularity. It has a natural deep water harbour which, with a little dredging, will be able to handle 100,000 ton tankers and carriers.

The solution of longer-term problems like the plight of primary industry, or the conservation of a major recreation area close to Melbourne, are not the most important, industrialists have the backing of a development-hungry State Government yet very rewarding politically.

### Under-finance

All this becomes the responsibility of an under-financed State Government. Voracious

education and health services make light work of its money.

The provision of other basic services to the expanding Melbourne metropolitan area absorbs most of the remainder.

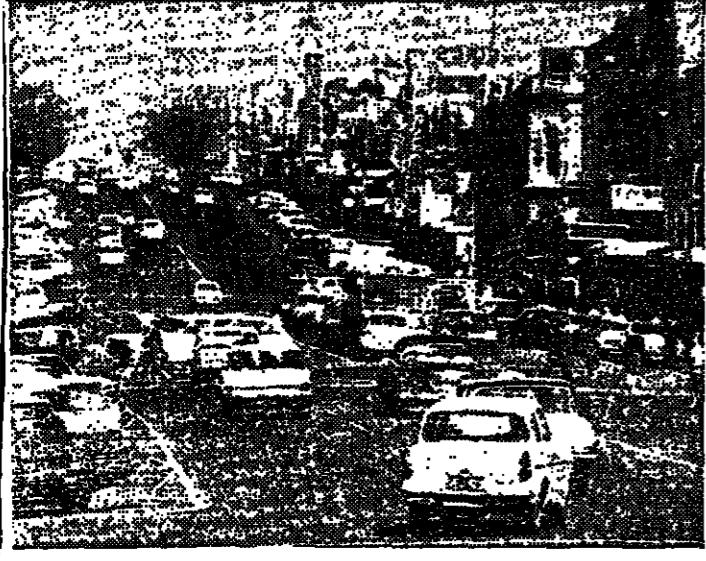
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One day they will be.

## Property—(Cont'd.)

Continued from previous page  
apparent failure of downtown residential apartments to

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succeed or be accepted in either Sydney or Melbourne. One the other side of the continent Perth over the last three to four years has experienced a rapid inflation in land prices followed by a spending spree on office development in company with the Western Australian mineral bonanza. Present reports indicate some 200,000 square feet of floor space under way arising from the injection of one million square feet into the market in less than two years, with another 11 major buildings to be completed within the next year. Such figures are comparable with Sydney or Melbourne which each have a population four times greater than Perth, not to mention their financial and administrative strength. Prices of \$100 per square foot have been paid for strategic locations although the current trend appears to be either static or downwards; rental charges are hovering around \$5.50 for new accommodation. Factors contributing largely to the present "crisis" have been the reaction to meet the stress placed upon limited supply by the mineral discoveries, and by relatively uninformed or speculative decision-making by investors in the eastern states or overseas.

### Rising star

Brisbane is perhaps the rising star on the development horizon, especially in terms of CBD expansion. Land prices of over \$150 per square foot have been recorded, some as high as \$200 in response to a steadily rising and as yet unsatisfied demand. The general level of rents is \$4.00 to \$4.50 per square foot of floor space.

Similarly, in Adelaide demand for office space is stepping-up and land prices are expected to generally top \$100 per square foot. Current rental charges are around \$4.50, while some are approaching \$5.00 per square foot.

Canberra's property market is expanding in the residential, commercial, and administrative spheres, but its size and position as a Government city do not make for meaningful comparisons.

Overall, the metropolitan property situation in Australia must be approached with caution, despite the indefatigable optimism of property consultants who assert that "oversupply is not necessarily a bad thing!" Small developers in Sydney and Perth may not share this view, since, caught up in the boom conditions, they are not in a financial position to afford to have large areas of unlet space on their hands for a lengthy period. Their position deteriorates still further if they have cut corners and are short on quality, while requiring the going rental level to cover their original land purchase price.

Brisbane and Adelaide currently offer good prospects for property investment, and there is still scope for informed enterprise in Sydney and Melbourne. Provided thorough investigations are initiated into precise locations relative to the micro-market, marketable quality of product, and the most opportune timing and phasing of a project. This stipulation applies in particular to that Board decision taken in far-off places—the speculative honeymoon is, at least temporarily, over.

## Lyon is small in Australia



### at the moment.

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We're planning to build over two million square feet of factories and distribution depots in Sydney.

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Both parks offer buildings for sale or rent and are well sited for skilled and unskilled labour.

North Ryde is just nine miles

from the centre of Sydney and offers light and science-based industries a planned parklike setting beside Macquarie University.

Liverpool is nineteen miles from the centre with access to the Hume highway and is ideal for light and general industry.

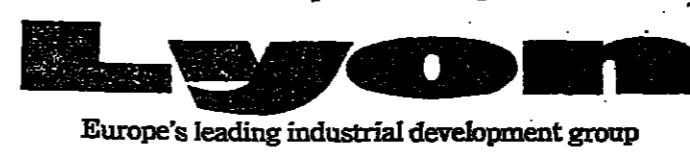
Lyon proposals for large-scale industrial development at Campbelltown

NSW thirty four miles from Sydney are also being considered by the NSW State Planning Authority at their invitation.

At Melbourne a large industrial estate is at advanced planning stage and construction work is expected to start before the end of the year.

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Joyce 1550

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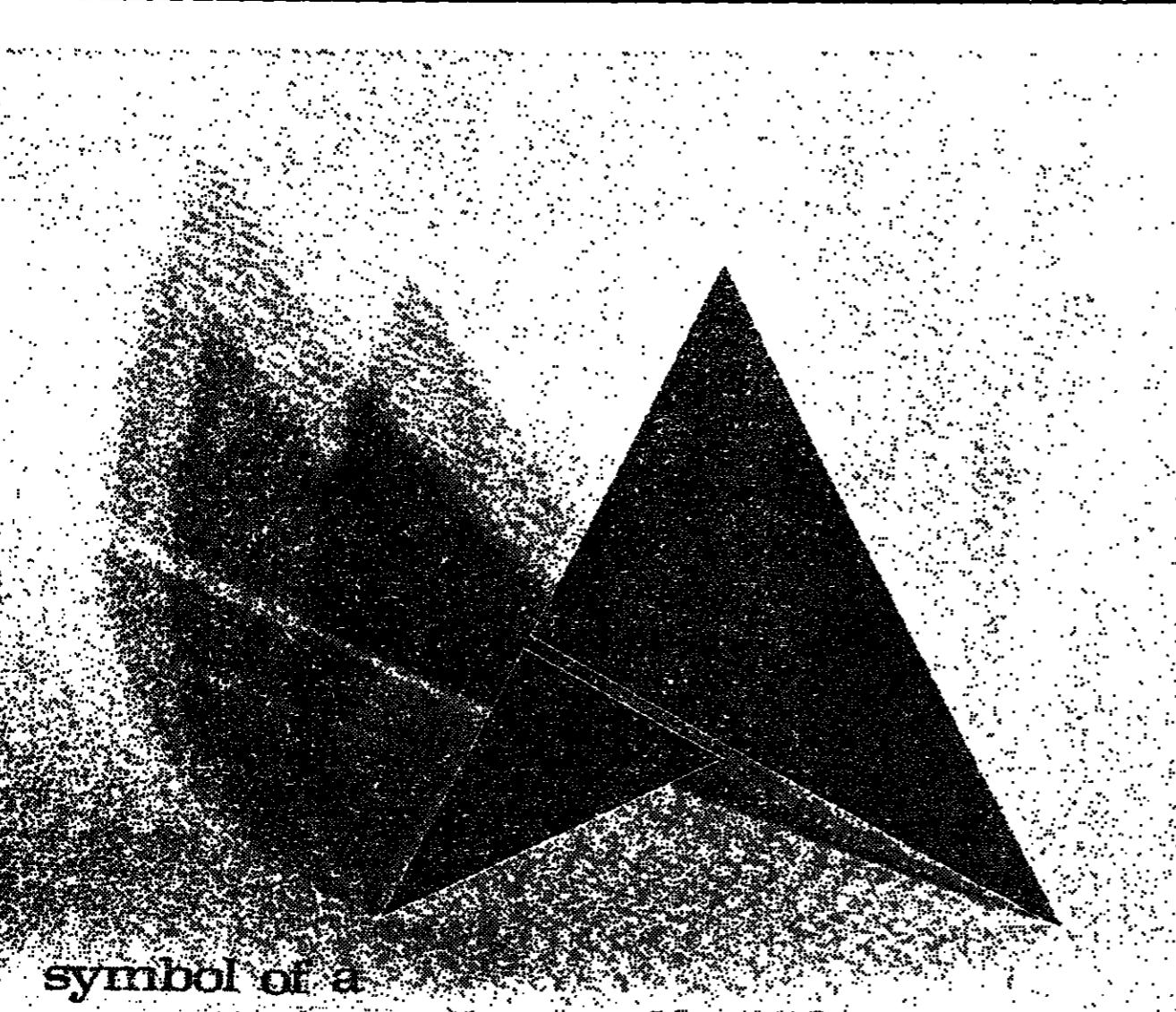
in fact, we've become the largest supplier to alumina plants around the world.

The point is, leading Australia into these world aluminium markets means more than just thinking internationally.

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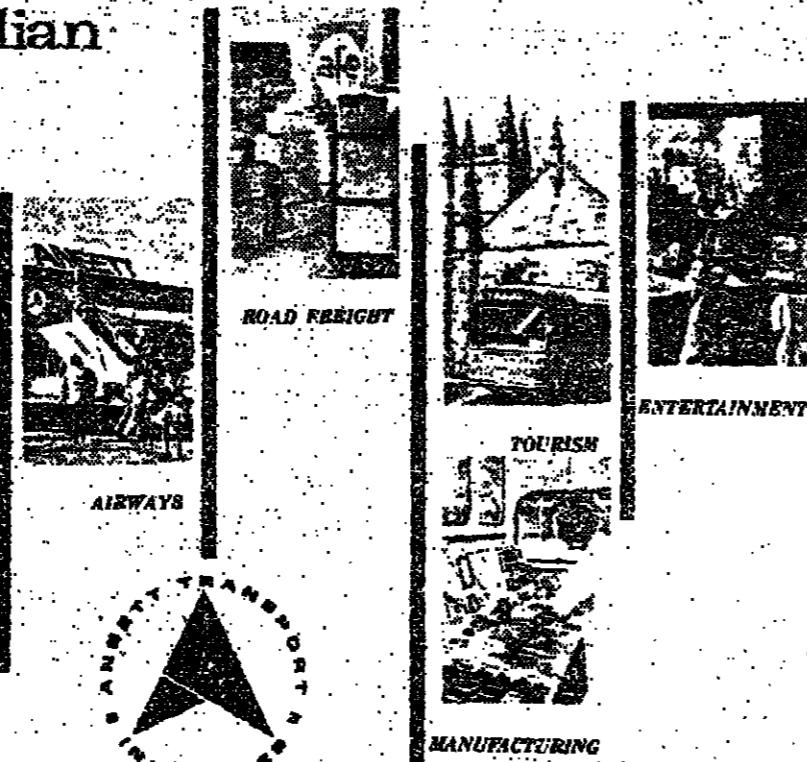


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**ANSETT** TRANSPORT INDUSTRIES LIMITED

## AUSTRALIA XXVII

# Tasmania widens its economic scope

By ROGER LUPTON

The State of Tasmania still relies more heavily on rural earnings than the other Australian states, exporting each year 14,000 tons of meat, 10,000 tons of butter, 219m. lbs of apples and 36m. lbs of wool. The island has been affected by falling world prices and seems certain to be hit fairly hard by Britain's entry into the Common Market.

It is also the home of some of the country's biggest industrial enterprises—Comalco Aluminium; EZ electrolytic zinc; Cadbury-Fry Pascall confectionery; ANM newsprint; APPM paper and pulp; Repco engine bearings; Coates Patons woollen yarn; Mt. Lyell copper; Renison tin; Petersville processed vegetables; Titan paint pigments; and Temco ferro-manganese.

In the past most industries have been attracted to Tasmania by cheap power, plentiful water, a stable workforce, cheap industrial land and accessible deep-water ports.

With only three per cent of the national population at 400,000 people, Tasmania accounts for 10 per cent of the power generated in Australia. It has the most developed hydro electric power system in the world outside Norway, and its prices are substantially cheaper than those offered anywhere else in Australia. Despite a recent increase of 17 per cent in domestic power charges bulk rates remain the same.

The State has recently embarked on its biggest power developments, the Gordon Scheme Stage One, in the southwest of the State, at a cost of more than \$114m. Parliament has also recently approved plans for a similar scheme on the Pieman River system which will cost in excess of \$120m.

## Interest rates

At the same time the State has recently completed its first non-hydro project, an oil-fired thermal station in the north. There is in this an admission that rising interest rates may soon make capital intensive hydro schemes too costly in the near future.

Two other events also suggest that the State's Hydro Electric Commission's dominant role in the Tasmanian economy may be nearing an end. The State Premier, Mr. Angus Bethune, said recently that during the past 30 years the State had been "rather mesmerised" into trying to attract big power-using industries at the expense of small, potentially labour-intensive industries, like tourism. Now the Government has mooted the formation of an advisory council to assist the Government in achieving total utilisation of its water resources.

Though surprisingly rich in natural resources, Tasmania's economic development in the past has been compromised by

one obvious physical fact: Its small economy have given rise to optimism, separation from the mainland.

A decade ago the island was more effectively connected to the mainland by the introduction of roll-on, roll-off ferries operating between the four main Tasmanian ports (three in the north and one in the south) and the two big mainland ports of Melbourne and Sydney. In September last year the State was integrated into the Australia-Europe container shipping system, one sailing every five days at the same freight rate as other Australian shippers.

But in April this year a nationwide strike by marine stowards cut the island's sea links with the rest of Australia and the world. Millions of dollars worth of outward bound cargo and many tourists were stranded on Tasmanian wharves; hundreds were threatened with unemployment and inter-State and overseas markets were jeopardised.

The State Government is negotiating with the Australian Council of Trade Unions to insure the State against similar disruptions in the future, but it is unlikely that Tasmania can convincingly pose as an attractive home for market-oriented manufacturers relying on sea transportation, at least in the near future.

Meanwhile a number of other recent developments in the

spending \$5m. re-equipping to cope with the increased business from the west coast mining areas.

Though external transport is a factor largely beyond the State's control, moves are being made to rationalise the internal transport system. Railways have been freed to make door-to-door deliveries and road transport operators are being freed from paying a fee each time they move outside their small local area. The State has recently negotiated finance to build a 28-mile rail link from the big Northern centre of Launceston to the port of Bell Bay. One of the main functions of the new link will be to provide transport for the State's growing woodchip industry.

Forest products earn Tasmania \$100m. a year and this figure could well double with production of woodchips. The Japanese came to Tasmania looking for chips for their rapidly expanding pulp industry in 1966. Now Tasmanian Pulp and Forest Holdings Ltd. have a contract to supply Jujo with

timber to the value of \$10m.

The industry which appears to offer the most immediate returns to Tasmania is tourism. The Government has set up a Tourism Development Authority with wide powers to control the standard of tourism facilities and recommend money being spent on worthwhile projects. So far tourism earnings only amount to about \$12m. a year. It remains to be seen whether private and public resources will be found sufficient to augment the State's natural tourist attractions with the necessary man-made facilities.

The most optimistic symbol for the future is a new hotel-casino complex on the banks of the Derwent River in the southern capital of Hobart. A number of overseas shipping lines and airlines have already made special arrangements for the casino opening late next year. In the meantime, five other groups of promoters are jockeying for Government approval for a second casino hotel in the north of Tasmania.

Whatever the long-term effects of the casinos (the first in Australia), they could give Tasmanian tourism a short-term boost towards making it a viable industry.

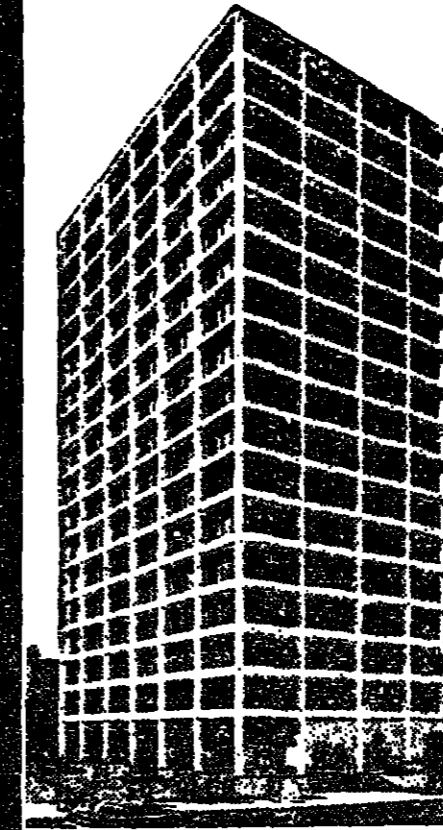
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has grown...  
(...so has the nest!)**

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# a place

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# to



Think about Tasmania—its potential and opportunity for the establishment and expansion of industry is unlimited!

**NOW IS THE TIME — MOVE WITH TASMANIA**  
Tasmania offers the facilities to enable you to establish your business. Ample low cost industrial sites, a skilled labour force, low cost electric power, proximity to potential markets and well developed transport system for your products are factors of great importance in favour of Tasmania. From the standpoint of many businessmen wishing to broaden their sphere of operation Tasmania has much to offer. The State has some of the best developed deep-water ports in Australia, with increasing emphasis being placed on containerisation to facilitate speed and ease of handling. Land development projects have provided good industrial sites, and coupled with low cost electric power make the State a sound economic choice for development of new industry.

### PROGRESS IS A NATURAL PART OF TASMANIA'S DEVELOPMENT

Confidence in the economic future of Tasmania can be demonstrated by the current or recently completed projects undertaken by leading Tasmanian industries:

Electrolytic Zinc Co. of Asia Ltd.	\$50 Million
Savage River Mines Ltd.	\$70 Million
Australian Newsprint Mills Ltd.	\$32 Million
North West Acid Pty. Ltd.	\$14 Million
Comalco Aluminium (Bell Bay) Pty. Ltd.	\$9 Million
Goliath Portland Cement Co. Ltd.	\$8 Million
International Canners	\$1 Million
Hydro-Electric Commission	\$200 Million
A.P.P.M. Ltd.	\$24 Million

# succeed

DIRECTORATE OF INDUSTRIAL DEVELOPMENT AND TRADE  
152 MACQUARIE ST. G.P.O. BOX 1336N, 7001  
HOBART, TASMANIA

**DD Tasmania**  
Agent General for Tasmania—Tasmania House, 458-459 The Strand, London

## Artagen Investments Pty. Ltd.

Australian subsidiary of Artagen Properties Ltd.  
continues to progress

It is currently active in Melbourne, where an office block of 79,000 sq. ft. is under construction for completion in February 1972 and another of about 270,000 sq. ft. is in the design stage.

**Further office sites**  
in Melbourne and Sydney are sought.

Particulars to:

D. H. Alderton F.R.I.C.S. or J. S. Brown F.R.I.C.S.  
Artagen Investments Pty. Ltd., Artagen Properties Ltd.,  
Underwood House, 160 Brompton Road,  
37/49 Pitt St., London SW3 1HS.  
Tel: 01-589 3477  
Tel: 27 5098

There has, in recent years, been a massive investment by foreign interests, mostly American, in the top end of the Territory, an area where an average rainfall of 60 inches a year in the wet season is of great comfort to the pastoral interests. More recently, an Australian millionaire and pastoralist, Mr. Bryce Killen, announced a \$6m. venture which will involve international backing as well as local capital to develop 13m. acres of a 2m-square-mile property at Willeroo for cattle and grain sorghum. Cattle have been increasingly important to the territory and are worth \$4m. a year in exports alone. Fishing, too, is developing as a major industry, with prawns currently worth \$4m. a year in export income, and this is expected to reach some \$10m. in the near future. Tourism is growing, particularly now that the Territory is being served by jets. Latest estimates suggest that tourists bring \$18m. a year into NT.

Tasmania's Directorate of Industrial Development and Trade will be glad to assist you with the latest information with regard to any aspect of your business expansion in the State. Take the time to contact them—it's a small investment for an assured dividend.

**JOIN THE STATE ON THE MOVE!**

3-70

AUSTRALIA XXVIII

# Economic switch in Queensland

By MICHAEL SOUTHERN

As Queensland's dependence static. For 1968-69, it stood at \$A517m. At best, the last fiscal year will show a small decrease in her new-found minerals \$A40m. industry has grown and her efforts to attract manufacturers on this. Mining activity on the other hand has grown spectacuarly from the \$A40m. importance of her rural industries has declined. At the same time, the rush by this State into the era of mining and manufacturing has been at such a pace that conservationists are deeply disturbed over an attitude on the part of government which, they claim, puts development above all else.

That the State had to switch the economy from rural to mining and industrial pursuits is undeniable. Even with modern methods, good seasons (in some areas) and good markets, the contribution towards the State's economy by primary producers has remained fairly

it is controlled by international rules, and faces a severe loss if it loses the British market (and hurry to move to Queensland, this is becoming quite clear that and those who do want to be the City of Brisbane—but one near the labour and consumer market of Brisbane).

It is not just a case of the economics of losing a guaranteed 335,000 tons a year market at better than world rates. As these cannot be replaced, its effects on a vast area of the State which is built around the sugar industry will be those of declining townships, unemployment and a decline in a vast network of services built around this single commodity.

But the real concern for the rural sector is no longer that of coping with droughts and floods. It is the problem of rehabilitating distressed sheep farmers and the uncertainty over the future of the sugar industry once Britain enters the Common Market. Of all Queensland's people dependent on sugar for their livelihood. Sheer distance prevents them from moving into "just around the corner", and he spoke with his usual industrial enthusiasm about six more likely ones in the next two years.

There are some 250,000 miners have also been responsible for a remarkable shift in the exporting ability of the State. Minerals are worth more than \$A300m. in foreign economic importance. Last year, currency, the bulk of it tourists spent more than \$A140m. in this State, mostly expects to see this treble over the next ten years. Come 1973, of Brisbane, a strip of beach development where land is certainly the most optimistic of the major coal-exporting State.

is tried to encourage manufacture was \$A1,624m. Unlike the buildings dense, tall and ugly.

Meanwhile, the mines grow. Mt Isa Mines is expanding at Mt Isa itself, and has embarked on a \$A100m. project at nearby Hilton. The world's biggest alumina refinery at Gladstone is now in the middle of a third expansion phase costing \$A125m.;

the capital for its Greenvalley project near Townsville. Recently the State government announced that three more major projects, worth at least \$A200m., were "just around the corner", and he spoke with his usual industrial enthusiasm about six more likely ones in the next two years.

The miners have also been responsible for a remarkable shift in the exporting ability of the State. Minerals are worth more than \$A300m. in foreign economic importance. Last year,

Politically, Queensland is

beyond doubt the most reac-

tive of all States, with its County Party-dominated Government secure in the knowl-

dge that the boundary distri-

butions will ensure that it stays

there. It was Queensland which,

more than any other State,

wholeheartedly welcomed the

Springboks (even though the

standard of Queensland Rugby

is poor), declaring a state of

emergency to ensure that its

police force had the necessary

powers to deal with demonstra-

tors and ensure the matches

were played. It is the Queens-

land Government which has

come under most criticism for

the share dealings and holdings

of its Ministers and against

which allegations of corruption

are frequent.

But Queensland's way of life

is gentle to the point of laziness,

its outdoor parochial to the

point of introspection. Every-

thing has potential, as any

Queenslander will tell you—and

no one can deny that, for all

their faults, Queenslanders are

expensive, lights are bright and

Australians.

Part-Aborigine family at the Lake Tyers Reserve, Victoria.

**SOCIETY TO-DAY**

# How the police could combat violent crime

BY JOE ROGALY

**THERE ARE** at least two wrong "cleared up" by the police fell ways of responding to the in most years, although in the recent spate of police and past year or two it has risen judges' propaganda in favour again.

more harshly. The first is the rate is now back to 49.3 per cent, nearly as good as the **di-purpose Liberals' approach** which consists of professing 50.9 per cent. of the police fell in London, where the police have been less successful in catching other than patients; the **re-convicted** criminals than elsewhere, the second is the re-guard con-**servative attitude**, whose pro-**gress** from 24.7 per cent. in 1968 to 28.8 per cent. last year, Scotland **re-conviction** from the prospect of **revenge**. There is only one pride last week that in the first **right** way, which is to consider, half of this year there was a **practical steps can be taken in** to **reduce the amount** of crime, and particularly **client crime**.

**New methods**  
Before this can be done it is essential to have a look at the figures, for without them it is not possible to pursue any serious examination of crime in this country. It might be different in America, where everyone knows that the amount of murder is frighteningly high and that certain streets are dangerous to walk in, but over here the quantity of crime is still low enough for it to be possible to take time out and look at the statistics.

**Clear-up rate**

These tell us that the total number of indictable offences known to the police in England and Wales has more than trebled over the past 20 years, from 461,335 in 1950 to 1,555,894 last year. During that period the proportion of these offences

of the police has contributed to that kind of crime that a rise in the statistics for crime in what were once slum areas—murders, assaults, and places in which in former years a drunken brawl would often have led to the calling in of the police.

The next and most vital step towards a calm approach to criminal statistics is to look at the details. The phrase "indictable offences" covers everything from premeditated murder to pinching the money from the gas meter and even friends or acquaintances. This is strongly suggested by the high clear-up rate (around two-thirds) for crimes of violence.

**Carrying guns**

Yet when all this is said there remains the irreducible core of figures that show that crimes of violence are increasing sharply; it is also apparent that there exists a number of criminal gangsters who are prepared to carry guns, and use them, when they are out on a robbery or a burglary. The London police can take credit for a high clear-up rate (it has risen to 69.7 per cent.) of offences against the person, but this cannot disguise the fact that there is still a two-to-one chance of not being caught for a robbery.

It is at this stage that the practical implications of the figures become clear. The first is that the possibility of being caught is not the deterrent that it should be, if only because the odds are distinctly in favour of the criminal. No amount of harsh punishment can deter if the man believes from the

beginning that he will get away with it. And the second is that something does indeed need to be done to reduce the amount of violent crime.

Towards this end it may be reasonable to confiscate the property of burglars (as the police demand) in order to render the profession less profitable. Minor modifications of some of the judge's rules may be desirable, provided that the result is not a reduction of the safeguards against wrongful conviction. And provided that the rate of detection is increased, there might be a case for experimenting with special "hard regime" for robbers and burglars who carry guns, although this should never be a permissible sentence for a first offence.

The reasoning is that the practical way to prevent crime, once the man is caught, is to rehabilitate him so that when he is released he is immune to temptation to commit a crime again. This is still generally true; yet it may be that some gangsters who repeatedly come back are beyond redemption: for them, if they insist on using guns, society has little option but to protect itself by imposing, and sticking to, long sentences; the deterrent effect of special harshness would remain to be proved.

In any case severity would mean nothing if the detection rates stayed low. For this reason our society must arrive at a fresh definition of just what it wants the police to do. It is not

possible, given the amount of sing the so-called "under-ground" and more time catching serious criminals. If this sounds to some people to be too liberal to be borne, the answer is, again, that it is a matter of practicality.

**A precedent**

For it is certainly true that a majority of people in this country have feelings of distaste for the long-hairs and those who read or sell pornographic material. The question is, what is the most efficient manner of putting these manifestations of our present era out of sight of those who find them unpleasant? In my view, the Dutch have the right answer in "repressive tolerance." The police let it be known that what goes on in such and such a part of town will not be noticed. If it happens anywhere else it will be sat on, hard.

This method has a precedent in the Gaming Act, which concentrates houses of gambling in certain areas so that they can be a need to keep the peace at pop festivals. But when hundreds of policemen turn up, some of them in plain clothes (that is, pseudo-hippie costume), in order to sniff out any marijuana that may be going, not very effective; harsher repression would magnify these disadvantages. In this aspect of modern life the right way to arrive at the most beneficial policy is to follow the logic of the facts. And they lead to "repressive tolerance," which the police, in short, would do well to spend less time harassing to tackle serious crime.

**Labour News**

## Strike suspended at British Leyland

BY JOHN ELLIOTT, LABOUR EDITOR

**DISRUPTION** in the motor industry, which had led to 21,000 workers being made idle, was eased yesterday when engine dispatch workers at British Leyland's Longbridge plant in Birmingham decided to suspend their week-long strike for two months. This stoppage has halted Austin-Morris Mini production of 3,800 cars worth £21m. and caused 3,000 men to be laid off at Longbridge and a further 3,200 at the group's Castle Bromwich body works. But they are to be progressively recalled when the strikers return to work tomorrow (Tuesday) following factory-level talks yesterday.

The decision to suspend the strike came shortly after the chairman of British Leyland's Triumph division, Mr. W. H. Davis, warned his employees that, unless the company improved its production performance, redundancies would "not be a possibility but a certainty." This stoppage has halted Austin-Morris Mini production of 3,800 cars worth £21m. and caused 3,000 men to be laid off at Longbridge and a further 3,200 at the group's Castle Bromwich body works. But they are to be progressively recalled when the strikers return to work tomorrow (Tuesday) following factory-level talks yesterday.

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Writing in *Triumph News*, Mr. Davies said that the organisation was going through one of its worst periods in recent years, and that it could expect "an even rougher time" if production programmes are not speeded up.

Superficial examination of two Japanese motor cars in the possession of the company had revealed their "tremendously competitive nature." Their retail prices throughout the world and the dramatic increases in production quantities left, Mr. Davis stressed, no room for complacency.

"That the world owes no one a living has undoubtedly been accepted by the Japanese car maker, how long is it to be before we give this fact equal recognition?" he added.

Mr. Davis pointed out in his message that during the current financial year the company had already achieved during any week-day its projected production programme, or even "an acceptable percentage" of this volume.

"One of my main responsibilities to the company is to ensure

## Wine sales soar by 28.7% in year to record

BY KENNETH GOODING

**WINE SALES** reached their highest level yet during the first six months of 1971. Boosted particularly by the demand for table wines, clearances from bond in the January-June period were numbered around 355,000; the seriousness of this particular category arises from the possibility of hard violence (which always exists in, say, house-breaking) rather than its actuality.

The number of cases of violence against the person, again taking the provinces only, was 33,731, and there were also 21,171 sexual offences.

London figures, which are broken down in a slightly different way in the published statistics, show roughly the same proportions.

It will be seen from all this

in the past two years and, with this year, clearances of champagne amounted to 448,000 bottles.

"It is a trend which I hope and expect will become even more marked when we join the Common Market," he added.

The Association's analysis of figures released today by the Customs and Excise shows that

also well above the previous peak, was also set in the first six months of 1968 before duty increases took their toll of wine sales.

"The present trend clearly indicates we are on the threshold of a mass market for wine," said Mr. Peter Noble, chairman of the Wine and Spirit Association.

"In the 1960s the trade was continually fettered by the Treasury, with almost annual increases in duty which severely restricted the development of the market.

"Those fetters are still on, of course, but none has been added

market in the first six months of

## Exhibition of light aircraft opens to-morrow

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

**THE BIGGEST** exhibition of range of aircraft both on the business and light aircraft yet ground and in the air, to be held in this country opens at Cranfield Aerodrome, Bedfordshire, to-morrow.

The "Business and Light Aviation Show" is sponsored by Flight International, the aero-nautical magazine, and supported by many organisations in the aviation industry. It will encourage the ownership and operation of light aircraft by businessmen and industrialists,

and promote aircraft as a new tool of management.

Organisations participating include the British Light Aviation Centre, the Business Aircraft Users' Association, the General Aviation Safety Committee, the Guild of Air Pilots and Air Navigators, and the Society of Licensed Engineers and Technologists. The show also has the approval of the Society of British Aerospace Companies.

During the exhibition there will be a number of lectures by businessmen and industrialists on the benefits derived from using aircraft, and tomorrow, the opening day of the show, the Business Aircraft Users' Association is holding a seminar to be addressed by Mr. Bernard Cartfoot, deputy chairman of Allied Breweries, on the subject.

Over 40 manufacturers, distributors and other organisations involved in the light aircraft market will be exhibiting a wide

range of aircraft, and the new site, Glaxo intends to build a modest manufacturing plant in West Germany using part of the DM75m. loan which it raised there last month.

A spokesman for the company confirmed that negotiations for the purchase of a site were well advanced and should be completed soon. The location is not being revealed until the deal is complete.

At the new site, Glaxo intends to build a modest manufacturing plant which it is thought will take about 18 months to complete from the U.K., process them into finished products and pack them.

A cost estimate of DM6m.-7m. for the proposed investment, given in the German Press, is believed to be fairly accurate.

## Jaguar XJ series output passes 50,000

**PRODUCTION** of the Jaguar XJ series of saloons, including the Daimler Sovereign, has passed the 50,000 mark. About 28,000 have been exported. Jaguar Cars (British Leyland group) said yesterday.

The company also disclosed that more E-types were being made available for the home market.

Output of the XJ series from Allesley, Coventry, has been progressively built up, and is approaching 650 a week. "The effect is a gradual reduction of the new-car customer's waiting time for delivery," said Jaguar.

In the U.S., which usually receives about 100 XJ models a month, availability is improving.

## Record harvest hopes dashed

**BAD WEATHER** and crop disease have dashed early hopes of a record harvest, the Ministry of Agriculture said at the weekend.

Late spells of sunshine, however, have helped farmers with cereals and the general level of yields will be higher than in 1970.

The success of British wines was registered in June clearances of 1.11m. gallons, a 30.1 per cent. advance on the same month last year. The half-year increase on 1970 was 22.9 per cent.

High-strength wines—port and sherry types—were up 13.6 per cent. in June as compared with

the same month in 1970, while the January-June total was 23.9 per cent. ahead.

Champagne (a 17 per cent. increase) and other sparkling wines (15 per cent. more)

market.

Meanwhile, the dispute at Lucas in Birmingham, where 300 maintenance engineers have been on strike for over a week, continuing. Some 13,000 Lucas employees have been laid off at the company's nine Birmingham factories, but the major motor manufacturers have not yet started to suffer from a shortage of the company's components.

Peter Cartwright, Midlands Correspondent, writes: The 26 Austin-Morris engine dispatchers

decided yesterday to postpone their strike for two months after six-hour talks with a union official to allow time for their pay dispute to be resolved.

The wages of the 26 are at present geared to 77 per cent.

of the piecework earnings of other workers in sections of the plant, and they are demanding a full piecework system to give them comparability.

At yesterday's talks with Mr. George Wright, district secretary of the Transport and General Workers' Union, the 26 unanimously

selected a formula based on a standard day work system put forward by the management, which is seeking to introduce it throughout the plant.

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## Pending dividends timetable

For the convenience of readers, the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus \*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

Date	Announcement last year	Date	Announcement last year
NAVFAR Navig. Sept. 11	Int. 6%	Kier (4.1.) Sept. 17	Final 12%
AERLICHT and Whales Sept. 2	Int. due	Linton Indus. Sept. 19	Final 12%
ASOCO Cement Sept. 25	Int. 24%	Lead Indus. Sept. 21	Int. 3%
Dairies Sept. 26	Final Div. 8	Lex Service Sept. 5	Int. 10%
ASOCO		Marine Drives Sept. 17	Int. 10%
Fisheries Sept. 18	Int. 8%	Micron Assets. Aug. 26	Int. due
BTR Scotland Sept. 19	Int. 7%	Morgan Crucible Oct. 2	Int. 6%
Bank of Scotland Sept. 21	Int. 8%	Patelco P. & Co. Sept. 22	Int. 7%
Scotoil Sept. 19	Int. 10%	Pearson Longman Sept. 3	Int. 7%
McConnell Oct. 2	Int. 3%	P. & O. Steels Oct. 10	Int. 4%
Boats Sept. 23	Int. 8%	Plessey Sept. 15	Final 5%
Brilliant. Sept. 23	forecast	Price Forbes Sept. 15	Int. 6%
Bristol St. Group Sept. 8	Int. 10%	Provident Clothing Sept. 8	Int. 8%
Elect. Tract. Sept. 2	Final 12%	Product Assoc. Sept. 23	Int. 25%
BUCC Sept. 11	Final 6%	Ready Mixed Concrete Sept. 8	Int. 8%
Brit. Land Sept. 11	Final 6%	Rockit and Colman Sept. 17	Int. 8%
Brit. Petroleum Sept. 9	Int. 5.7%	Retrovile Parsons Sept. 25	Int. 6%
Brit. Petroleum & Co. Sept. 27	Int. 4%	Rio Tinto Zinc Sept. 17	Int. 8%
Brit. Rail Pipe and Paper Oct. 1	Int. 8%	Rover Sept. 17	Int. 26%
Brundtall Oil Oct. 2	Int. 6%	Sedley Sept. 8	Int. 8%
Cadbury Sept. 25	Int. 8%	Sent Alliance Sept. 1	Int. 7.5%
Schweppes Sept. 25	Int. 8%	Sheridan Oct. 12	Int. 3.5%
Cars & Components Sept. 26	Final 5%	Tate and Lyle Sept. 18	2nd Int. 5%
Carpets Int. Sept. 22	Int. 4%	Transport Trust Sept. 7	Int. 4%
Clarke Chapman Sept. 3	Int. 8%	Tubbs Irons Sept. 8	Int. 8%
Coastal (R.) Sept. 22	Int. 9.7	Ud. Newsprint Sept. 23	Int. 8%
Dairyman Sept. 18	Final 5%	Vickers Sept. 18	Int. 8%
Decca Sept. 2	Final 25%	Waddick Sept. 18	Int. 4%
Delta Metal Sept. 20	Int. 7%	Wilkinson Sept. 18	Int. 5%
Diamonds Robinson Gr. Sept. 30	Int. 10%		
Denton & Co. Sept. 23	Int. 4%	Board meetings intimated. © Rights issue since made. + Tax free. \$ Scrip issue since made from reserves.	

## Local Authority

### Investments

LOCAL AUTHORITY loan rates cent, except in one category, rose at the shorter-end last week, where there was an increase of 1% in the mortgage field.

Loans at 7-days' notice were at 6.4% per cent. on Monday, up 0.4% per cent. at the end of the previous week, and although falling to 5.5% per cent. the next two weeks had risen to 6.8% per cent. Friday. The one-year mortgage, however, eased to 6.6-6.7% per cent. from 6.6-6.8% per cent. at the week-end.

The Financial Times Government Securities Index gained 0.21 point on the week to 75.88, touching 75.89 on Thursday.

Nottingham issues of £5m. per cent. stock, 1979-80, at 8% were re-subscribed, and the stock rose 10% to £10-pd paid per cent. touch. One-year local authority bonds are placed during the week at 7% with a coupon of 6% per cent. offer a return 1% per cent. less than on the previous week's touch. Yields on longer bonds are also cut, with 6% per cent. month bonds, 7 per cent. 2-year, and 7.4% per cent. 8-year all based at par.

An abnormal situation arose on the Aberdeen Corporation's £500,000 of 2-year £s at 5% per cent., a lower rate than the Treasury bill rate quoted at the weekly tender, and low the 5% per cent. quoted in a market for the purchase of north Treasury bills.

Public Works Loan Board rates are cut over a wide range with effect from Saturday. Quotations were reduced by 1 per cent. + per cent. and non-quota per cent. for longer periods changed, were cut by 1 per cent.

\* Rate (%) August 27, 1971

days' notice (deposit receipt) 6 - 6.4%  
days' notice (deposit receipt) 6 - 6.4%  
days' notice after one month (deposit receipt) 5.5 - 6%  
days' notice after three months (deposit receipt) 5.5 - 6%  
days' notice after six months (deposit receipt) 6 - 6.1%  
usage at one month's mutual notice after 11 months (nominal term 2-5 years) 6.1 - 6.2%  
years' mortgage 7.1 - 7.2%  
years' mortgage 7.1 - 7.2%  
years' mortgage 7.1 - 7.2%  
10 years' mortgage 8 - 8.1%  
30 years' mortgage 8 - 8.1%

\* Rates are for sums not less than £20,000 and are subject to all variations and fluctuations. + Nominal. + The shorter nominal rate may carry a higher rate than the longer.

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Financial Agents for over sixty years  
Conditions for ALL LOCAL AUTHORITIES INVESTMENTS  
An advance of £10,000 for investment in Trustee Securities. All money pass direct between the Investor and Local Authorities' Banks.  
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### RECENT ISSUES

#### EQUITIES

Issue Date	1971	Stock	Open	+ or -	High	Low
Sept. 1	1971	1971	100	-	100	98
Sept. 2	1971	1971	100	-	100	98
Sept. 3	1971	1971	100	-	100	98
Sept. 4	1971	1971	100	-	100	98
Sept. 5	1971	1971	100	-	100	98
Sept. 6	1971	1971	100	-	100	98
Sept. 7	1971	1971	100	-	100	98
Sept. 8	1971	1971	100	-	100	98
Sept. 9	1971	1971	100	-	100	98
Sept. 10	1971	1971	100	-	100	98
Sept. 11	1971	1971	100	-	100	98
Sept. 12	1971	1971	100	-	100	98
Sept. 13	1971	1971	100	-	100	98
Sept. 14	1971	1971	100	-	100	98
Sept. 15	1971	1971	100	-	100	98
Sept. 16	1971	1971	100	-	100	98
Sept. 17	1971	1971	100	-	100	98
Sept. 18	1971	1971	100	-	100	98
Sept. 19	1971	1971	100	-	100	98
Sept. 20	1971	1971	100	-	100	98
Sept. 21	1971	1971	100	-	100	98
Sept. 22	1971	1971	100	-	100	98
Sept. 23	1971	1971	100	-	100	98
Sept. 24	1971	1971	100	-	100	98
Sept. 25	1971	1971	100	-	100	98
Sept. 26	1971	1971	100	-	100	98
Sept. 27	1971	1971	100	-	100	98
Sept. 28	1971	1971	100	-	100	98
Sept. 29	1971	1971	100	-	100	98
Sept. 30	1971	1971	100	-	100	98
Sept. 31	1971	1971	100	-	100	98
Oct. 1	1971	1971	100	-	100	98
Oct. 2	1971	1971	100	-	100	98
Oct. 3	1971	1971	100	-	100	98
Oct. 4	1971	1971	100	-	100	98
Oct. 5	1971	1971	100	-	100	98
Oct. 6	1971	1971	100	-	100	98
Oct. 7	1971	1971	100	-	100	98
Oct. 8	1971	1971	100	-	100	98
Oct. 9	1971	1971	100	-	100	98
Oct. 10	1971	1971	100	-	100	98
Oct. 11	1971	1971	100	-	100	98
Oct. 12	1971	1971	100	-	100	98
Oct. 13	1971	1971	100	-	100	98
Oct. 14	1971	1971	100	-	100	98
Oct. 15	1971	1971	100	-	100	98
Oct. 16	1971	1971	100	-	100	98
Oct. 17	1971	1971	100	-	100	98
Oct. 18	1971	1971	100	-	100	98
Oct. 19	1971	1971	100	-	100	98
Oct. 20	1971	1971	100	-	100	98
Oct. 21	1971	1971	100	-	100	98
Oct. 22	1971	1971	100	-	100	98
Oct. 23	1971	1971	100	-	100	98
Oct. 24	1971	1971	100	-	100	98
Oct. 25	1971	1971	100	-	100	98
Oct. 26	1971	1971	100	-	100	98
Oct. 27	1971	1971	100	-	100	98
Oct. 28	1971	1971	100	-	100	98
Oct. 29	1971	1971	100	-	100	98
Oct. 30	1971	1971	100	-	100	98
Oct. 31	1971	1971	100	-	100	98
Nov. 1	1971	1971	100	-	100	98
Nov. 2	1971	1971	100	-	100	98
Nov. 3	1971	1971	100	-	100	98
Nov. 4	1971	1971	100	-	100	98
Nov. 5	1971	1971	100	-	100	98
Nov. 6	1971	1971	100	-	100	98
Nov. 7	1971	1971	100	-	1	









